



GOVERNMENT OF  
WESTERN AUSTRALIA



# Goldfields-Esperance Development Commission

## 2014/2015 ANNUAL REPORT





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## OUR REGION

The Goldfields-Esperance Region is located in the south-eastern corner of the State over an area of 771,276 km<sup>2</sup>, which makes the region over three times the size of the state of Victoria, and just under a third of Western Australia's total land mass. It is the largest region in Western Australia with a population of approximately 62,000 people (2014).

It is bound geographically by the Little Sandy Desert and Gibson Desert to the north, the Wheatbelt region to the west, the Great Australian Bight to the south, and the South Australian and Northern Territory borders to the east. The region is considerably isolated from major urban centres and capital cities. Its expansive geography extends 1,400km from the south-west corner near Hopetoun to the north-west boundary near the Pilbara and Northern Territory borders, with many of the region's communities more than 600km from Perth.

The region comprises nine Local Government areas: the City of Kalgoorlie-Boulder, the Shires of Coolgardie, Dundas, Esperance, Ravensthorpe, Menzies, Leonora, Laverton and Ngaanyatjarraku.

The region's south is characterised by a mixture of coastal and inland communities spread between Ravensthorpe in the west to the border town of Eucla more than 1,000km by road to the east. Esperance is the main residential town in the south, containing regional port infrastructure that plays a vital role in supporting the region's mining and agricultural industries.

The south is characterised by a mixed economy of agriculture, fisheries, tourism and mining. The areas surrounding Ravensthorpe and Esperance are major agriculture sector employers, producing wheat, barley and canola. The agriculture industry is supported by mining operations near Hopetoun and Ravensthorpe, commercial fishing and a tourism industry

which benefits from an array of natural attractions and the Eyre Highway linking Western Australia and South Australia via the Nullarbor Plain. The north of the Esperance region includes the town of Norseman, which has claim to hosting Australia's longest continuously running gold mine operation at The Norseman Gold Mine.

The Goldfields region, north of Norseman, has a highly dispersed population influenced by the development of mining operations. Kalgoorlie-Boulder and the towns of Coolgardie, Kambalda, Menzies, Leonora, Laverton and Leinster service local mining and pastoral operations. The region is also home to a number of remote Aboriginal communities and natural attractions.

Kalgoorlie-Boulder, Western Australia's largest inland city, is a hub for the mining industry in the Goldfields and hosts an established mining services sector. The city is also a regional cultural, sport and entertainment Centre and contains a wide range of retail shops to service the regional population.

The region's north-east, known as the Ngaanyatjarra Lands (or the Lands), is characterised by widely dispersed Aboriginal communities across the Shire of Ngaanyatjarraku. This sparsely populated region is home to many remote communities situated close to the Northern Territory and South Australian borders. The largest community of Warburton is located 900km by road from Kalgoorlie-Boulder and 300km from the Northern Territory border. Mining exploration is a major activity in the region as well as tourism and arts supported by the Outback Way which connects Queensland to Western Australia through central Australia.



## KEY FACTS

- 🌐 The population of the Goldfields-Esperance region is supported by a \$20 billion a year economy. With 29,100 jobs and over 4,000 businesses, the region is a major contributor to the State's mineral and agricultural exports.
- 🌐 Famously rich in minerals, the Goldfields-Esperance region has founded its growth on a strong mining industry. It is the second most important mining region in Western Australia, with the value of production increasing from \$4.3 billion in 2002-03 to \$9.3 billion in 2013-14. This represents, an average growth rate of eight per cent per year, and accounts for eight per cent (8%) of the state's mining production. The coastal part of the Goldfields-Esperance region enjoys a mixed economy of agriculture, fisheries, mining and tourism. Esperance port is the deepest in the Southern Hemisphere.
- 🌐 As of 2014 the Goldfields-Esperance region accounted for 65% of the State gold production and 81% of the State nickel production\*. Gold mining constituted 62% of the value of regional mineral production in 2014, equating to just over \$5.8 billion.
- 🌐 In 2012-13 agricultural production for the Goldfields-Esperance region was estimated at \$646million, accounting for eight per cent of the state's total agricultural value. 89% being crop production.\*
- 🌐 The Goldfields-Esperance region is considered a significant generator of innovation. The region's mining sector in particular supports research and development in the region in both the private sector and through the Western Australian School of Mines. This is most notably reflected by the number of patents held within the City of Kalgoorlie-Boulder per capita compared to the nation, many of which are for drilling and exploration technologies, with the region as a whole considered to have a high number of patents per capita (0.07 in Goldfields Esperance against 0.01 nationally).

\*Source: REMPLAN Economic Profile \_GEDC website July 2015, Department of Minerals & Petroleum's Western Australian Mineral and Petroleum Statistics Digest 2015, and Goldfields-Esperance Regional Investment Blueprint.

## STATEMENT OF COMPLIANCE

THE HONOURABLE TERRY REDMAN, MLA  
Minister for Regional Development; Lands;  
Minister Assisting the Minister for State  
Development.

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the Annual Report of the Goldfields-Esperance Development Commission for the financial year ended 30 June 2015.

The Goldfields-Esperance Development Commission was established under the Regional Development Commissions Act 1993.

In the performance of its functions the Commission complies with the following relevant written laws including but not limited to:

*Auditor General Act 2006*  
*Corruption and Crime Commission Act 2003*  
*Disability Services Act 1993*  
*Equal Opportunity Act 1984*  
*Financial Management Act 2006*  
*Freedom of Information Act 1992*  
*Government Employees Super Act 1987*  
*Government Employees Housing Act*  
*Government Financial Responsibility Act 2000*  
*Industrial Relations Act 1979*  
*Minimum Conditions of Employment Act 1993*  
*Occupational Safety and Health Act 1984*  
*Public Interest Disclosure Act 2003*  
*Public Sector Management Act 1994*  
*Royalties for Regions Act 2009*  
*Salary & Allowances Act 1975*  
*State Records Act 2000*  
*State Superannuation Act 2000*  
*State Supply Commission Act 1991*  
*Workers Compensation and Injury Management Act 1981*

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.

In the financial administration of the Goldfields-Esperance Development Commission, we have complied with the requirements of the Financial Management Act 2006 and every

other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing, we are not aware of any circumstances which would render the particulars in this statement misleading or inaccurate.



**Tony Crook**  
Chairman

9 September 2015



**Shayne Flanagan**  
Chief Executive Officer

9 September 2015





## CHAIRMAN'S REPORT

2014-15 has been a significant year for the Goldfields-Esperance Development Commission (the Commission). A significant reinvigoration of the Commission's Board and appointment of Shayne Flanagan as CEO in October 2015 have set the scene for a constructive period for the organisation. The development of the Goldfields-Esperance Regional Investment Blueprint (the Blueprint) has been a major focus of the Commission's activities over the past twelve months. The Blueprint, which is soon to be released for public comment, has been developed by the Commission, after extensive consultation with regional stakeholders. It is a roadmap for the future social and economic growth and prosperity out to 2050 and beyond.

Through the identification of local opportunities, challenges and priorities, it provides a credible and guiding framework that will foster economic opportunities and build communities, ensuring the integration of government, industry and community sector planning. The Blueprint establishes a pathway for regional stakeholders to enable, value add and diversify to meet new and emerging opportunities, addressing local challenges and delivering prosperity to all the people in our region.

Our mining and agricultural sectors will continue to be the driving force of our economic base up to and beyond 2050 - delivering substantial financial, social and economic outcomes. However, the diversity of our economy will be key to riding out the 'boom and bust' nature of the industries that we rely on most and the document will help the region achieve this goal. The drop in commodity prices in recent years

continues to affect the mining industry and has put diversification back on the map to help ride out the hard times.

In a significant development announced at the Regional Cabinet meeting held in Kalgoorlie-Boulder in June 2015, Kalgoorlie-Boulder has been selected as one of the first four regional centres to take part in the Regional Centres Development Plan (RCDP), Phase 2 and work has already started on what promises to be a very productive collaboration for the region. Esperance was an integral part of the first phase of the plan which introduced the SuperTown program and provided funding for the development of a Growth Plan, the development of a Town Revitalisation Master Plan, Esperance Regional Economic Development Strategy and provided the mechanism for a \$12.6 million investment towards the redevelopment of the Esperance Waterfront.

The Commission continues to play a key role in managing the Goldfields-Esperance Revitalisation Fund, the Regional Grants Scheme and Community Chest funds, which invested over \$11 Million of Royalties for Regions funding in the Goldfields-Esperance region in 2014-15, for projects worth a total of approximately \$28 million.

The Regional Development portfolio is currently undertaking a significant body of work aimed at transitioning towards a revised operating model that provides for improved and more effective ways to build vibrant regions with strong economies. The reform process encompasses all agencies within the Regional Development



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Portfolio, including the Department of Regional Development, all nine Regional Development Commissions, the Regional Development Council and the Western Australian Regional Development Trust. The Reform Program will take place over 18-24 months to ensure sufficient time to deliver results.

The Regional Development Council continues to be an effective mechanism for regional decision making and I commend the efforts of Council and secretariat for their tireless efforts in raising the regional development bar within Government and Industry.

I would like to thank all Board Members for their enthusiasm, support and contribution over what has been a positive year for the GEDC and to all staff for their commitment and continued passion for our region.

On behalf of the Board, I acknowledge and thank the Minister for Regional Development, Terry Redman MLA and his office for their support and advocacy for regional Western Australia.



A handwritten signature in blue ink, enclosed in a thin blue rectangular border.

**Tony Crook**  
*Chairman*

15 September 2015

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## EXECUTIVE SUMMARY

### Executive Report

The conclusion of a financial year always provides an ideal time to reflect on the 12 months that have come and gone. 2014/15 has certainly been a productive year for the Goldfields Esperance Development Commission, with effort focused on consolidating and developing the Commission's organisational capacity, resetting our region's Blueprint, refining the 'investment pipeline' through the various Royalties for Regions funding programs we administer, as well as rebuilding our relationships with key regional stakeholders.

The revised draft of the Goldfields-Esperance Regional Investment Blueprint was finalised in June 2015, with approval sought from the Minister for Regional Development for the Commission to commence its mandated consultation process. This process is scheduled to commence in September 2015 and it is anticipated that the final version of the Blueprint will be released early in 2016. The Blueprint is aimed at guiding the development of the region until 2050. The Commission considers stakeholder input and involvement is critical to its success. Only by working together, in a coordinated and concerted approach, can the Blueprint be successfully implemented and the vision and regional priorities of the Blueprint realised.

The Commission is continuing to assess business cases for priority projects submitted under the Goldfields-Esperance Revitalisation Fund. To date \$16 million has been allocated, with the remaining \$82 million to be allocated over the next four financial years. In addition to the two projects approved in mid-2014 –Leonora Office Accommodation (\$4.7 million) and Hopetoun Community Centre (\$2 million) have now received funding, Ray Finlayson Sporting Complex which was granted \$6 million to build a pavilion and the Golden

Mile Loopline Railway received \$3.7 million for its mining tourism railway venture. A further six projects are currently under consideration.

Kalgoorlie-Boulder was selected in June 2015 to be one of the first four regional centres in WA to participate in the Regional Centres Development Plan - Phase 2, with the Commission working with the City of Kalgoorlie-Boulder, the Department of Regional Development, the Regional Development Council and Landcorp to deliver a Regional Centres Development Policy and a Growth Plan to guide strategic economic development in alignment with the Region's Blueprint.

All staff in the Kalgoorlie, Leonora and Esperance offices continue to work closely and effectively with key stakeholders and partners and represent the Commission on numerous economic and social community forums. The Commission has close strategic links with the local Chambers of Commerce and Industry, Local Government, Regional Development Australia and continues to provide support to community organisations.

Notwithstanding the substantial progress that has been made over the last twelve months, there remain very significant challenges regarding the Commission's capacity to deliver under its current level of resourcing. The Commission is continuing to work with its portfolio partners in progressing the current Regional Development Reform process with a key focus on addressing the resource capacity issue and, equally important, the implementation of a revised operating model aimed at delivering improved regional development outcomes. Keeping pace with growth, generating jobs and ensuring the appropriate community and industry infrastructure is in place will remain challenges for us in the future.

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## COMMISSION OVERVIEW

The Goldfields-Esperance Development Commission is a West Australian State Government Agency committed to encouraging and promoting economic and social activity in the Goldfields-Esperance region of Western Australia. The GEDC is one of nine Regional Development Commissions, established under the Regional Development Commissions Act (1993).

The GEDC is responsible to The Honourable Terry Redman, MLA, Minister for Regional Development; Lands; Minister Assisting the Minister for State Development.

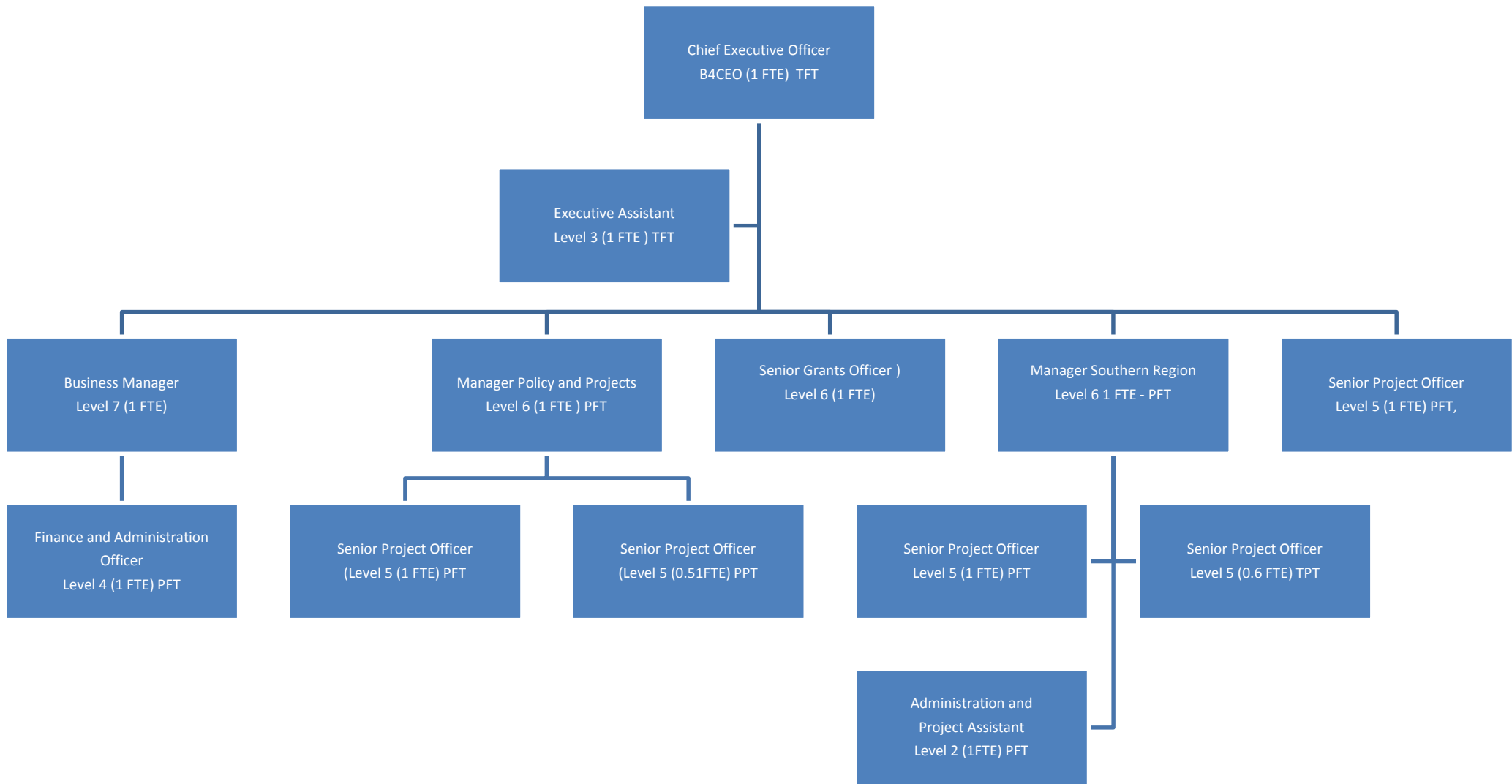
A Board of Management comprising of ten members is drawn from Local Government, Community representatives and Ministerial appointment. The Board sets the overall strategic direction and goals for the Commission.

### **Vision:**

*We create opportunities to build a vibrant sustainable future for our region.*

### **Mission:**

*Increase investment and attract population to our region.*



## BOARD OF MANAGEMENT

The Minister of Regional Development appoints members to the Goldfields-Esperance Development Commission's Board of Management that is comprised of a Chairman, Deputy Chairman, seven members selected from community and local government appointments, as well as Ministerial appointments and the Chief Executive Officer.

The Board is the governing body of the GEDC and is responsible for setting the strategic direction of the Commission. The Board holds bi-monthly meetings to consider matters relating to the development of the region and provides advice to the Minister on regional issues.

### Chairman



#### Tony Crook

Chairman

Tony Crook was born and raised in Merredin in the Wheatbelt region where his family were pioneer farmers. Tony was involved in the pastoral industry before entering the House of Representatives as Member for O'Connor in 2010. He retired in 2013. Tony served as Chairman of the Western Division of the Royal Flying Doctor Service for 10 years, and National President for 3 years. He is very knowledgeable and passionate about the region.

1st term: 18 August 2014-30 June 2017  
Representative: Ministerial

### Deputy Chairman



#### John Bowler

Deputy Chairman

John is based in Kalgoorlie and was a Member of the WA Legislative Assembly for 12 years, rising to become Minister for Local Government, Regional Development, lands; Land, Goldfields-Esperance, Great Southern, Resources and Employment Protection. He has a background in media and small business and is currently involved with and chairs a number of community organisations.

1st term: 10 March 2014 - 30 June 2016  
Representative: Community

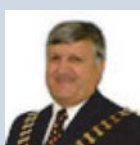
### Board Members



#### Matthew Taylor

Matthew is a councilor with the Shire of Leonora and managing director of a locally based company with first hand experience of conducting business in the Northern Goldfields.

1st term : 26 Nov 2013- 30 June 2016  
Representative: Local Government



#### Ron Yuryevich

Ron is a businessman and Mayor of the City of Kalgoorlie-Boulder. Mr Yuryevich has lived in Kalgoorlie-Boulder all his life and is strongly committed to economic and social development in the Goldfields-Esperance region.

12 months (6th year) 18 August 2014 - 30 June 2015  
Representative: Local Government

## Board Members



### Malcolm Heasman

Malcolm is a practising Chartered Accountant who has lived in Esperance since 1977. He has had a long involvement with sporting clubs and associations and is a Life Member of the Esperance Hockey Club Association. He was elected to the Shire of Esperance Council in 2011 and is currently Shire President.

1st term: 18 August 2014 - 30 June 2017  
Representative: Local Government



### Christine Boase

Chris is currently the Community Relations Advisor with AngloGold Ashanti Australia where she has worked since 2008. She is a member of the Goldfields Education and Mining Alliance (2008-present).

1st term: 18 August 2014- 30 June 2017  
Representative: Ministerial



### Kate Fielding

Kate is a cultural strategist who works with the government, not-for-profit and private sectors. Kate moved to the Goldfields in 2008, based in Warburton in the Ngaanyatjarra Lands. She relocated to Kalgoorlie in 2013.

Kate is a 2014-2016 Sidney Myer Creative Fellow, awarded for national cultural leadership and literature. She serves as the Chair of Country Arts Western Australia and is the Vice-President of Regional Arts Australia.

1st term: 18 August 2014 - 30 June 2017  
Representative: Community



### Kevin Doig

Kevin is the Managing Director at the Goldfields Institute of Technology. He is a Governing Council Member and member of the Kalgoorlie Campus Council. Kevin has a strong background in Education and Training.

1st term : 18 August 2014 - 30 June 2017  
Representative: Ministerial



### Gail Reynolds-Adamson

Born and raised in Esperance Gail is a descendant of the Noongar people who are from the South East Coast of Western Australia.

Gail Reynolds-Adamson is a successful owner-director of an award winning Aboriginal Tourism Company based in Esperance. She understands the concerns of the private sector, mining companies, private industry, and provides consultancy in the arena of Cross Cultural Awareness, Cross Cultural Intelligence and Corporate Responsibility. She is on the Board of Indigenous Business Australia, the IBA Finance and Investment committee and is the chair of the South East Aboriginal Health Service (SEAHS).

1st term: 18 August 2014 - 30 June 2017  
Representative: Community



### Shayne Flanagan

Chief Executive Officer

Shayne brings to the position a wealth of experience gained in regional WA. Prior to his appointment as CEO of the Goldfields-Esperance Development Commission Shayne headed the Esperance Port Authority as CEO for three years. He was the Regional Manager for Southern Region at the GEDC for four years and previously worked for the Department of Transport and the Shire of Esperance.

## COMMISSION PERFORMANCE

The Commission's achievements for 2014-15 have been underpinned by the revised Goldfields Esperance Strategic Development Plan 2011-21 and Goldfields-Esperance Development Commission Strategic Plan 2013-18, which align with the State Government's commitment to working towards achieving a sustainable Western Australia. This enables the Commission to meet the needs of stakeholders, capitalise on sustainable development opportunities and provides a clear direction for our future actions and projects.

## STRATEGIC PRIORITIES

### ECONOMIC DEVELOPMENT

*Promote & facilitate economic development.*

- 9 Promoting the region.
- 9 Facilitating coordination between relevant statutory bodies and State Government agencies.
- 9 Identifying opportunities for investment in the region and encouraging that investment.
- 9 Cooperating with Public Service of the State and Commonwealth, and other agencies, instrumentalities and statutory bodies, and local governments.



### ORGANISATION

*Build an agile, innovative and collaborative agency.*

- 9 Delivering state outcomes.
- 9 Articulating clear strategic directions.
- 9 Establishing and maintaining productive relationships with stakeholders.
- 9 Adhering to the public sector code of ethics that sets the standards of conduct and integrity.



### SERVICE DELIVERY

*Regional service provision.*

- 9 By establishing and maintaining partnerships and alliances with government and non government agencies.



### INFRASTRUCTURE

*Identify infrastructure to promote economic & social development.*

- 9 Cooperating with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region.
- 9 As well as identifying the infrastructure needs of the region, and encourage the provision of that infrastructure in the region.





## MAJOR ACHIEVEMENTS

### SERVICE 1 – FACILITATION OF PROVISION OF APPROPRIATE INFRASTRUCTURE AND INDUSTRY

#### Goldfields-Esperance Revitalisation Fund

The Goldfields-Esperance Revitalisation Fund (GER) was established in 2013-14 to provide Royalties for Region funding for priority projects in the Goldfields-Esperance Region with a budget of \$188 million. Three major initiatives were initially allocated funding, The Kalgoorlie-Boulder Community High School (\$45 million), the Goldfields Arts Centre (\$6.2 million) and the Great Eastern Highway overtaking lanes (\$38 million) leaving a balance of \$98 million to be administered by the Commission. The two projects funded in 2014 are progressing well. The Hopetoun Community Centre, which received \$2 million GER funding, is close to completion whilst a successful tender has been awarded to build the \$7.2 million Leonora Office Accommodation Centre which received \$4.7 million GER funding.

An additional two projects have now been successful in receiving a total of \$9.7 million for projects totaling an estimated \$26 million. The Goldfields Loopline Railway Society has been allocated \$3.7 million to redevelop the Loopline Tourist Railway. The City of Kalgoorlie Boulder has been granted \$6 million to build a pavilion at the newly established Ray Finlayson Sports Centre. (RFSC), the last stage of a larger project which had previously received \$5.5 million of Royalties for Regions funds to construct a state of the arts sports grounds for soccer, rugby, and cricket.

#### Goldfields-Esperance Regional Grants Scheme and Community Chest

The Commission has responsibility for administering both funding programs which are open to community, public and not for profit organisations. Their objective is to improve economic and community infrastructure and services in the region by funding projects that will assist in attracting investment and increasing jobs or help to improve the quality of life in the region, to make it an even more vibrant and interesting place to live.

Round 4 of the **Goldfields-Esperance Regional Grants Scheme** (GERGS) was rolled out this financial year. The scheme was open for applications ranging from \$20,001 to \$300,000 and 26 applications were received seeking in excess of \$3.4 million for projects of a total value of \$9.2 million. A total of \$981,111 was allocated to 8 projects:

| ORGANISATION                         | PROJECT TITLE                              | GRANT AMT         |
|--------------------------------------|--|-------------------|
| Burnna Yurrul Aboriginal Corporation | Laverton Short Stay Accommodation Facility | 91,830.00         |
| Country Arts WA                      | Focus Regional Initiative                  | 155,750.00        |
| Eastern Goldfields YMCA              | Community Helping Hand Project (CHHP)      | 149,000.00        |
| Cascade Town Recreation Association  | Cascade Town Community Centre Renovations  | 90,000.00         |
| Wongutha CAPS                        | Wongutha CAPS Independent Living Complex   | 216,490.00        |
| City of Kalgoorlie Boulder           | Lord Forrest Olympic Pool                  | 114,756.37        |
| Hope Community Services              | Yarning space for headspace in Kalgoorlie  | 33,255.00         |
| Kalgoorlie Creche Inc.               | D.E.V.E.L.O.P. Project                     | 130,029.63        |
| <b>Total</b>                         |  | <b>981,111.00</b> |

The **Community Chest Fund** is a “small grants” fund which commenced in 2015 in the region. It caters for funding applications of between \$ 5,000 and \$20,000. A total of 36 applications were received, seeking \$585,000 to support projects to the total value of \$3.65 million. A total of \$370,000 was allocated to 21 projects:

| ORGANISATION   | PROJECT TITLE   | GRANT AMT         |
|--|---|-------------------|
| Esperance Nyungar Aboriginal Corporation               | Deadly Nyungar Art Project                                      | 10,000.00         |
| Esperance Soccer Association                           | Esperance Soccer Association Badminton Stadium Purchase         | 20,000.00         |
| Kalgoorlie Central Playgroup Inc.                      | Kalgoorlie Central Playgroup Outdoor Area and Playgroup Upgrade | 20,000.00         |
| Touch of Gold Toastmasters                             | Toastmasters District 17 Gold Fever Convention 2015             | 5,000.00          |
| Salmon Gums Development Group Inc.                     | Landscape and Fit Out of Salmon Gums Community Centre           | 19,695.00         |
| Kalgoorlie-Boulder Basketball Association              | Canteen Upgrade   | 20,000.00         |
| Hopetoun Primary School Parents & Citizens Association | Mobile Canteen  | 16,400.00         |
| Ravensthorpe Regional Arts Council Inc.                | Hopetoun Dance Group  | 8,720.00          |
| Shire of Dundas  | Norseman Gymnastics   | 5,748.64          |
| The Norseman Men's Shed Association Inc.               | Men's Shed  | 19,970.00         |
| Shire of Laverton                                      | Extending the Swim Season at Laverton Pool                      | 10,620.00         |
| Esperance Community Arts                               | Esperance Arts Out There  | 19,939.00         |
| Kalgoorlie-Boulder Community Garden Inc.               | Kalgoorlie-Boulder Community Garden                             | 20,000.00         |
| Stage Left Theatre Troupe Goldfields WA Inc            | Stage Left Theatre Refurbishment                                | 18,528.18         |
| Kalgoorlie-Boulder Racing Club Inc                     | Kalgoorlie-Boulder Racing Club Redevelopment                    | 20,000.00         |
| Kathleen Day Playgroup (KDP)                           | Play, Grow, Develop   | 19,341.00         |
| Shire of Leonora                                       | 2015 Leonora Golden Gift  | 7,580.00          |
| Festival of the Wind Inc.                              | Festival of the Wind Inc Moving Movies                          | 15,000.00         |
| Western Australian Museum Kalgoorlie-Boulder           | WA Museum Kalgoorlie-Boulder Master Plan                        | 20,000.00         |
| Papulankutja Artists Aboriginal Corp                   | Gallery Rebuild   | 20,000.00         |
| Esperance Care Services                                | Data Collection System  | 17,000.00         |
| Ausdance WA  | Silent Volumes  | 15,352.00         |
| Goldfields Tourism Network Association Incorporated    | Destination WA for the Goldfields                               | 19,372.20         |
| <b>TOTAL</b>   |   | <b>368,266.02</b> |

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## **Regional Centres Development Plan**

The GEDC continued to work closely with the Shire of Esperance and Esperance Chamber of Commerce and Industry during the year to finalise projects funded through the first phase of the Regional Centres Development Plan, the SuperTowns program and implement other identified projects from the growth plan. The \$23M Esperance Waterfront Redevelopment was officially opened in November 2014 by The Minister for Regional Development, The Honourable Terry Redman, the Town Centre Revitalisation Master Plan was endorsed in May 2015 and the Esperance Region Economic Development Strategy is in final draft.

The successful outcome of a joint submission by the GEDC and the City of Kalgoorlie-Boulder has resulted in Kalgoorlie-Boulder selected as one of the first four towns to be part of the Regional Centres Development Plan (Phase 2). The GEDC, together with the City of Kalgoorlie-Boulder, the Department of Regional Development, the Department of Planning and Landcorp will be part of the working group for implementing this program. The aim of the plan is the development of a Growth Plan to identify competitive advances and a pathway to sustainable growth. The Growth Plan will outline opportunities to attract business investment, a skilled workforce and to position the City of Kalgoorlie-Boulder economy to realise these opportunities. It is expected that the CKB Growth Plan will be completed by October 2016.

## **Tourism Infrastructure**

The GEDC has facilitated the development of a Cruise Ship report for Esperance stakeholders, focusing on the economic impact and infrastructure requirements. The report has led to Esperance being awarded \$225,000 for Cruise Ship Infrastructure through the Federal Governments Tourism Demand Driver Infrastructure Program which will enable the Esperance Port to secure the pontoon for the tender vessels. The addition of the pontoon during the cruise ship season will facilitate safer transfer of passengers between the cruise ship and the town center, and allow the Shire to provide some land based infrastructure including a more direct pathway connecting into the town center. The Esperance Shire and Southern Ports Authority have provided matching contribution to access the funding.

## SERVICE 2 – PROMOTION OF THE REGION AND ITS INVESTMENT OPPORTUNITIES

### PLANNING AND STRATEGY

#### Goldfields-Esperance Regional Investment Blueprint (The Blueprint)

Goldfields-Esperance Regional Investment Blueprint (the Blueprint)

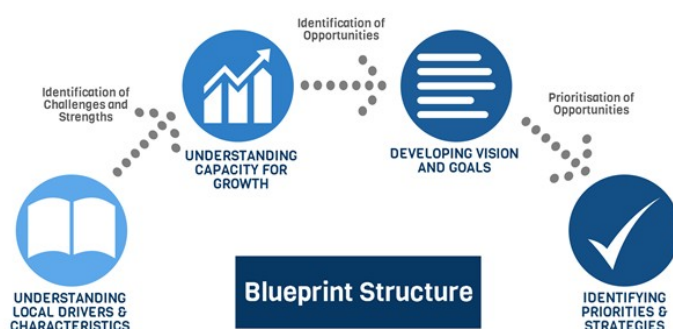
A major achievement of the Commission in 2014-15 has been the finalisation of the draft Blueprint document.

Regional Investment Blueprints have been prepared in response to a Government Review during 2010, into the Structure of Regional Development for the future, known as the 'Duncan Review'. Each of the nine Regional Development Commissions in Western Australia was required to prepare a Regional Investment Blueprint to outline their region's aspirations and provide a framework to deliver a prosperous future for regional communities.

The Regional Investment Blueprints will promote regional development and investment across the State and align the planning and activities of State Government agencies. They will also provide for an integrated approach to regional development and promote investment across government and non-government sectors, providing a platform to attract future private sector investment in the regions.

The Development of the Blueprint began in 2014 with some initial stakeholder consultation across the region to gather input on key regional priorities. A series of one-on-one interviews, a survey and workshops were held during 2014. Stakeholder input into this consultation has helped shape its direction. The Blueprint will guide planning and investment in our region over the next 35 years to 2050. It is a planning and investment document that identifies social and economic development strategies for the region and provides a framework for sustainable growth.

This Blueprint details the economic and social context of our region, highlighting our strengths and identifying areas where we have capacity to grow and improve. It sets priorities to guide where we head and strategies to respond to emerging global trends and local issues, such as the digital age, a growing and aging population and urbanisation, to shape a prosperous economy and equity of opportunity. The Blueprint will be released for public comment in September. Its final release is expected by the end of 2015 and the GEDC has already starting work on an Implementation Plan.



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## Studies, Reports and Partnerships

- The GEDC commissioned a consultant to conduct a feasibility study of a Regional University Centre for the Goldfields-Esperance Region, with a key objective to determine the viability of a regional universities campus and the optimum tertiary service model in order to meet regional tertiary aspirations and development of human capital in the region. The Carpe Diem 'Feasibility Study for a Regional Universities Centre for the Goldfields-Esperance Region' was completed in April 2015 and will be a valuable tool in planning for future education and training needs.
- The GEDC has continued to participate actively in forums to advance regional workforce, education and training outcomes, such as the Goldfields-Esperance Workforce Development Alliance (GEWDA), the Kalgoorlie-Boulder Chamber of Commerce and Industry Education sub committees and the Goldfields Youth and Transition Working Group.
- The GEDC partnered with the City of Kalgoorlie-Boulder to develop a social and economic impact study and commodity price modelling tool. The purpose of the study was to develop a deeper understanding of the inter relationships between commodity prices, activity in the local mining sector and Kalgoorlie-Boulder's society and economy. Acil Allen Consulting were commissioned to conduct the study and produced the 'Effect of the Mining Sector on Kalgoorlie-Boulders Society and Economy, Social and Economic Impact Study and Commodity Price Modelling Tool May 2015'.
- In mid-2014, The Goldfields-Esperance Development Commission appointed consultants "Tracker Development" to prepare a development plan for an Arts and Culture Trail that would cover the region, over 2,300 kilometers from Hopetoun to Laverton. 'The Goldfields-Esperance Arts and Culture Trail Plan' was finalised in March 2015. The next phase will be to source an organisation to drive this initiative and attract implementation funding. The trail has been identified in the Department of Culture and the Arts Action Plan and is a feature of the Arts and Culture Framework 2015-2020, developed by Country Arts WA in partnership with Regional Development Australia Goldfields-Esperance.
- The "Arts and Edges Regional Arts Summit", of which the GEDC was a key stakeholder, held in October 2014 and was an outstanding success, with over 550 delegates from all over Australia. Participants included artists, community volunteers, arts and cultural workers, community development managers and cultural leaders as well as the Federal Minister for the Arts, Senator, The Honourable George Brandis and the WA Minister for Arts and Culture, The Honorable John Day. Kalgoorlie-Boulder locals were able to participate in many public events and the festival atmosphere was best captured in the yarn bombing of the magnificent Egan Street Jacarandas.
- As a legacy of the Regional Arts Summit, two future events/festivals are being planned for Kalgoorlie-Boulder.
- The GEDC continued its association with the Kalgoorlie-Boulder Chamber of Commerce and Industry, the Chamber of Minerals and Energy, the Esperance Chamber of Commerce and Industry in co-hosting/sponsoring "Over the Horizon", "What's down the Track" forums.

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## Significant Issues Impacting the Commission 2014-15

- 🌐 The current downturn in the resources sector has had a significant impact on the economy of the region and may affect future population and industry growth.
- 🌐 The increasing reduction in government services is causing some consternation in the region. Over the last 18 months a number of senior government management roles have been relocated, reclassified or not replaced in Kalgoorlie-Boulder.
- 🌐 The City of Kalgoorlie Boulder and key local stakeholders are concerned that the lack of locally-based senior government decision makers will have a detrimental impact on the management and delivery of key services in the region.
- 🌐 Despite recent upgrades of mobile based stations, poor mobile communication coverage and unreliable broadband internet connection particularly in the agricultural sector is a significant issue and is limiting productivity, innovation and social amenity.
- 🌐 The cost of power and connection for business continues to be an issue of concern for the South East Region (Esperance and Ravensthorpe) and there are some cost discrepancies between those connected on the SWISS and those who are not.
- 🌐 A significant increase in the ageing of the population in our region as demonstrated in the Ageing in the Bush Report, has serious implications on the provision of accommodation for the aged.
- 🌐 The provision of essential Health and Social Services, Police resources and infrastructure in the Northern Goldfields Communities remains an issue of concern, specifically in respect to housing shortage and deteriorating road conditions .
- 🌐 The effective implementation of the Goldfields-Esperance Regional Investment Blueprint will be challenging in view of the Commission's current staffing capacity and resources. This will also apply to effective participation in the Regional Centres Development Plan.





## AUDITOR GENERAL

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia,

#### **GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION**

##### ***Report on the Financial Statements***

I have audited the accounts and financial statements of the Goldfields-Esperance Development Commission.

The financial statements comprise the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

##### ***Commission's Responsibility for the Financial Statements***

The Commission is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Commission determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### ***Auditor's Responsibility***

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.



### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Goldfields-Esperance Development Commission at 30 June 2015 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

### **Report on Controls**

I have audited the controls exercised by the Goldfields-Esperance Development Commission during the year ended 30 June 2015.

Controls exercised by the Goldfields-Esperance Development Commission are those policies and procedures established by the Commission to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

### **Commission's Responsibility for Controls**

The Commission is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

### **Auditor's Responsibility**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Goldfields-Esperance Development Commission based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Commission complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the controls exercised by the Goldfields-Esperance Development Commission are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2015.

### **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Goldfields-Esperance Development Commission for the year ended 30 June 2015.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

### **Commission's Responsibility for the Key Performance Indicators**

The Commission is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Commission determines necessary to ensure that the key performance indicators fairly represent indicated performance.

### ***Auditor's Responsibility***

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Commission's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the key performance indicators of the Goldfields-Esperance Development Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2015.

### ***Independence***

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

### ***Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators***

This auditor's report relates to the financial statements and key performance indicators of the Goldfields-Esperance Development Commission for the year ended 30 June 2015 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



**DON CUNNINGHAME**  
**ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT**  
*Delegate of the Auditor General for Western Australia*  
*Perth, Western Australia*  
15 September 2015

## FINANCIAL STATEMENTS

### *Certification of Financial Statements*

*For the year ended 30 June 2015*

The accompanying financial statements of the Goldfields Esperance Development Commission have been prepared in compliance with the provision of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2015 and the financial position as at 30 June 2015.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



**Tony Crook**

*Chairman*

9 September 2015



**Shayne Flanagan**

*Chief Executive Officer*

9 September 2015



**Fauziah Antonio**

*Chief Finance Officer*

9 September 2015

## STATEMENT OF COMPREHENSIVE INCOME

### For the year ended 30 June 2015

|   | NOTE | 2015<br>\$       | 2014<br>\$         |
|---|------|------------------|--------------------|
| <b>COST OF SERVICES</b>                                     |      |                  |                    |
| <b>Expenses</b>   |      |                  |                    |
| Employee benefits expense                                   | 6.   | 1,260,358        | 1,466,983          |
| Supplies and services                                       | 7.   | 753,368          | 630,242            |
| Depreciation and amortisation expense                       | 8.   | 26,831           | 3,334              |
| Accommodation expense                                       | 9.   | 160,755          | 188,508            |
| Grants and subsidies  | 10.  | 743,828          | 2,594,055          |
| Other expenses  | 11.  | 139,640          | 1,075              |
| <b>Total cost of services</b>                               |      | <b>3,084,780</b> | <b>4,884,197</b>   |
| <b>Income</b>   |      |                  |                    |
| <i>Revenue</i>  |      |                  |                    |
| Other revenue   | 12.  | 10,962           | 6,926              |
| <b>Total Revenue</b>  |      | <b>10,962</b>    | <b>6,926</b>       |
| <b>Total income other than income from State Government</b> |      | <b>10,962</b>    | <b>6,926</b>       |
| <b>NET COST OF SERVICES</b>                                 |      | <b>3,073,818</b> | <b>4,877,271</b>   |
| <b>Income from State Government</b>                         |      |                  |                    |
| Service Appropriation                                       | 13.  | 225,000          | 374,000            |
| Income received from Other State Agencies                   | 13.  | 7,261            | 252,422            |
| Royalties for Regions Fund                                  | 13.  | 2,536,057        | 3,108,779          |
| Resources received free of charge                           | 13.  | 17,677           | 15,508             |
| <b>Total income from State Government</b>                   |      | <b>2,785,995</b> | <b>3,750,709</b>   |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     |      | <b>(287,823)</b> | <b>(1,126,562)</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |      | <b>(287,823)</b> | <b>(1,126,562)</b> |

See also Note 36 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

### As at 30 June 2015

|                                      | NOTE | 2015<br>\$       | 2014<br>\$       |
|--------------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                        |      |                  |                  |
| <b>Current Assets</b>                |      |                  |                  |
| Cash and cash equivalents            | 24.  | 1,515,023        | 1,514,023        |
| Restricted cash and cash equivalents | 14.  | 454,291          | 777,062          |
| Receivables                          | 15.  | 85,844           | 12,371           |
| Other current assets                 | 17.  | 30,087           | 8,180            |
| <b>Total Current Assets</b>          |      | <b>2,085,245</b> | <b>2,311,636</b> |
| <b>Non-Current Assets</b>            |      |                  |                  |
| Restricted cash and cash equivalents | 14.  | -                | 46,904           |
| Amounts receivable for services      | 16.  | 195,000          | 195,000          |
| Property, Plant and equipment        | 18.  | 51,266           | 7,870            |
| Intangible assets                    | 19.  | 14,688           | -                |
| <b>Total Non-Current Assets</b>      |      | <b>260,954</b>   | <b>249,774</b>   |
| <b>TOTAL ASSETS</b>                  |      | <b>2,346,199</b> | <b>2,561,410</b> |
| <b>LIABILITIES</b>                   |      |                  |                  |
| <b>Current Liabilities</b>           |      |                  |                  |
| Payables                             | 21.  | 74,670           | 53,035           |
| Provisions                           | 22.  | 143,664          | 120,075          |
| <b>Total Current Liabilities</b>     |      | <b>218,334</b>   | <b>173,110</b>   |
| <b>Non-Current Liabilities</b>       |      |                  |                  |
| Provisions                           | 22.  | 60,693           | 33,305           |
| <b>Total Non-Current Liabilities</b> |      | <b>60,693</b>    | <b>33,305</b>    |
| <b>TOTAL LIABILITIES</b>             |      | <b>279,027</b>   | <b>206,415</b>   |
| <b>NET ASSETS</b>                    |      | <b>2,067,172</b> | <b>2,354,995</b> |
| <b>EQUITY</b>                        |      |                  |                  |
| Contributed Equity                   | 23.  | 54,000           | 54,000           |
| Accumulated surplus                  |      | 2,013,172        | 2,300,995        |
| <b>TOTAL EQUITY</b>                  |      | <b>2,067,172</b> | <b>2,354,995</b> |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**STATEMENT OF CHARGES IN EQUITY**  
**For the year ended 30 June 2015**

|  | NOTE | CONTRIBUTED<br>EQUITY | RESERVES | ACCUMULATED<br>SURPLUS/<br>(DEFICIT) | TOTAL<br>EQUITY  |
|--|------|-----------------------|----------|--------------------------------------|------------------|
|  |      | \$                    | \$       | \$                                   | \$               |
| <b>Balance at 1 July 2013</b>                            | 23.  | 54,000                | -        | 3,427,557                            | 3,481,557        |
| Surplus/(deficit)  |      |                       |          | (1,126,562)                          | (1,126,562)      |
| Total comprehensive income<br>for the period             |      | -                     | -        | (1,126,562)                          | (1,126,562)      |
| Transactions with owners in<br>their capacity as owners: |      |                       |          |                                      |                  |
| Capital appropriations                                   |      | -                     | -        |                                      |                  |
| Total  |      | -                     | -        |                                      |                  |
| <b>Balance at 30 June 2014</b>                           |      | <b>54,000</b>         | <b>-</b> | <b>2,300,995</b>                     | <b>2,354,995</b> |
| <b>Balance at 1 July 2014</b>                            |      | 54,000                | -        | 2,300,995                            | 2,354,995        |
| Surplus/(deficit)  |      |                       |          | (287,823)                            | (287,823)        |
| Total comprehensive income<br>for the period             |      | -                     | -        | (287,823)                            | (287,823)        |
| Transactions with owners in<br>their capacity as owners: |      |                       |          |                                      |                  |
| Capital appropriations                                   |      | -                     | -        | -                                    | -                |
| Total  |      | -                     | -        | -                                    | -                |
| <b>Balance at 30 June 2015</b>                           |      | <b>54,000</b>         | <b>-</b> | <b>2,013,172</b>                     | <b>2,067,172</b> |

*The Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## STATEMENT OF CASH FLOWS

### For the year ended 30 June 2015

|  | NOTE       | 2015<br>\$         | 2014<br>\$         |
|--|------------|--------------------|--------------------|
| <b>Cash Flows From State Government</b>                    |            |                    |                    |
| Service appropriation                                      |            | 225,000            | 374,000            |
| Royalties for Regions Fund                                 |            | 2,536,057          | 3,108,779          |
| Income received from Other State Agencies                  |            | 7,261              | 252,422            |
| <b>Net cash provided by State Government</b>               |            | <b>2,768,318</b>   | <b>3,735,201</b>   |
| Utilised as follows:                                       |            |                    |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |            |                    |                    |
| <b>Payments</b>  |            |                    |                    |
| Employee benefits  |            | (1,197,723)        | (1,546,257)        |
| Supplies and services                                      |            | (765,310)          | (632,393)          |
| Grants and Subsidies                                       |            | (743,828)          | (2,594,055)        |
| Other expenses   |            | (139,640)          | -                  |
| GST payments on purchases                                  |            | (158,825)          | (327,614)          |
| GST payments to taxation authority                         |            | -                  | -                  |
| Accommodation  |            | (143,078)          | (173,000)          |
| <b>Receipts</b>  |            |                    |                    |
| GST receipts on sales                                      |            | 1,020              | 2,000              |
| GST receipts from taxation authority                       |            | 80,804             | 334,080            |
| Other receipts   |            | 14,502             | 2,900              |
| <b>Net cash provided by/(used in) operating activities</b> | <b>24.</b> | <b>(3,052,078)</b> | <b>(4,934,339)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |            |                    |                    |
| <b>Payments</b>  |            |                    |                    |
| Purchase of non-current physical assets                    |            | (84,915)           | -                  |
| <b>Net cash provided by/(used in) investing activities</b> |            | <b>(84,915)</b>    | <b>-</b>           |
| Net increase/(decrease) in cash and cash equivalents       |            | (368,675)          | (1,199,138)        |
| Cash and cash equivalents at the beginning of the period   |            | 2,337,989          | 3,537,127          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | <b>24.</b> | <b>1,969,314</b>   | <b>2,337,989</b>   |

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



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## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2015**

### **NOTE 1. AUSTRALIAN ACCOUNTING STANDARDS**

#### **General**

The Commission's financial statements for the year ended 30 June 2015 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Commission has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

#### **Early adoption of standards**

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Commission for the annual reporting period ended 30 June 2015.

### **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) General statement**

The Commission is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act 2006 and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## **(b) Basis of preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollars.

### **NOTE 3.**

'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Commission's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

### **NOTE 4.**

'Key sources of estimation uncertainty' discloses key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **(c) Reporting entity**

The reporting entity comprises of the Commission.

### **Mission**

Increase investment and attract population to our region.

### **Services**

The Commission provides the following services:

#### **Service 1: Facilitation of the Provision of Appropriate Infrastructure and Industry**

### **Services**

To coordinate the identification of appropriate infrastructure, industries and enterprise services to the region so as to ensure that they are provided effectively and efficiently to meet the expanding needs of the region.

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## Service 2: Promotion of Region and its Investment Opportunities

To promote the region's advantages and attractions by way of appropriate policies, strategies and plans, so as to encourage investment that will contribute to economic growth, employment and an increased population base in the region.

### (d) Contributed equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 'Contributions by Owners' made to Wholly-Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

### (e) Income

#### Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

#### Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

#### Service appropriations

Service Appropriations are recognised as revenues at fair value in the period in which the Commission gains control of the appropriated funds. The Commission gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

#### Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Commission. In accordance with the determination specified in the 2014-15 Budget Statements, the Commission retained **\$10,962** in 2015 from the following:

- proceeds from fees and charges;
- Commonwealth specific purpose grants and contributions;
- other Commission revenue.

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## Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Commission obtains control over the assets comprising the contributions; usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Commission obtains control over the funds. The Commission obtains control of the funds at the time the funds are deposited into the Commission's bank account.

## Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

## (f) Property, Plant and Equipment

### Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

### Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

### Subsequent measurement

Subsequent to initial recognition as an asset, property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

### Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

## Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

|                     |          |
|---------------------|----------|
| Plant and equipment | 10 years |
| Office equipment    | 5 years  |
| Software            | 3 years  |

## (g) Intangible assets

### Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Commission have a finite useful life and zero residual value.

|           |         |
|-----------|---------|
| Software* | 3 years |
|-----------|---------|

\*Software that is not integral to the operation of any related hardware

### Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

### Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

## **(h) Impairment of assets**

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Commission is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

## **(i) Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Commission is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The Commission holds operating leases for its office buildings and motor vehicles. Lease payments are expensed on a straight line basis over the term lease as this represents the pattern of benefits derived from the leased properties.

## **(j) Financial Instruments**

In addition to cash, the Commission has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Restricted cash and cash equivalents
  - Receivables
  - Amounts receivable for services
- Financial Liabilities
  - Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

## **(k) Cash and Cash Equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

## **(l) Accrued Salaries**

Accrued salaries (see note 21 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Commission considers the carrying amount of the accrued salaries to be equivalent to its net fair value.

The accrued salaries suspense account (See note 14 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

## **(m) Amounts Receivable For Services (Holding Account)**

The Commission receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.



## **(n) Receivables**

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Commission will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

## **(o) Payables**

Payables are recognised at the amounts payable when the Commission becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settlement is generally within 30 days.

## **(p) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date.

### **Provisions - Employee Benefits**

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

#### **Annual Leave**

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision of annual leave is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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## Long Service Leave

Long service leave that is not expected to be settled wholly within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Commission has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

## Purchased leave

The provision for leave purchased leave relates to Public Service employees who have metered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

## Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund. The Commission makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Governments' Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Commission's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Commission to GESB extinguishes the agency's obligations to the related superannuation liability.

The Commission has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Commission to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

## **Provisions - Other**

### **Employment On-Costs**

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Commission's 'Employee benefits expense'. The related liability is included in 'Employment on cost provision'.

### **(q) Superannuation Expense**

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, or other superannuation fund. the employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

### **(r) Assets And Services Received Free Of Charge Or For Nominal Cost**

Assets or services received free of charge or for nominal cost are recognised as income at the fair value of the assets and/or the fair value of those services that the Commission would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from another State Government agency are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

### **(s) Comparative Figures**

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

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### **NOTE 3. JUDGEMENTS MADE BY MANAGEMENT IN APPLYING ACCOUNTING POLICIES**

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Commission evaluates these judgements regularly.

#### **Operating lease commitments**

The Commission has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

### **NOTE 4. KEY SOURCES OF ESTIMATION UNCERTAINTY**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

#### **Long service leave**

Several estimations and assumptions used in calculating the Commission's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

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## **NOTE 5. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND ESTIMATES**

### **Initial application of an Australian Accounting Standard**

The Commission has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2014 that impacted on the Commission.

#### ***tnt 21***

#### ***Levies***

This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Commission at reporting date.

#### ***AASB 10***

#### ***Consolidated Financial Statements***

This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation - Special Purpose Entities, introducing a number of changes to accounting treatments.

#### ***AASB 11***

#### ***Joint Arrangements***

This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement.

There is no financial impact for the Commission as the new standard continues to require the recognition of the Commission's share of assets and share of liabilities for the unincorporated joint operation.

#### ***AASB 12***

#### ***Disclosure Of Interests In Other Entities***

This Standard, issued in August 2011, supersedes disclosure requirements in AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131. Interests in Joint Ventures. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.

#### ***AASB 127***

#### ***Separate Financial Statements***

This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. There is no financial impact.

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**AASB 128*****Investments In Associates And Joint Ventures***

This Standard, issued in August 2011, supersedes AASB 128 Investments in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest.

The adoption of the new Standard has no financial impact for the Commission as it does not hold investments in associates and joint ventures.

**AASB 1031*****Materiality***

This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.

**AASB 1055*****Budgetary Reporting***

This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Commission will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.

**AASB 2011-7*****Amendments To Australian Accounting Standards***

***Arising From*** the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and tnt 5, 9, 16 & 17]

This Standard gives effect to consequential changes arising from the issue of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. Mandatory application was deferred for not-for-profit entities by AASB 2012-10. The Model Statutory Authority has analysed the suite of Consolidation and Joint Arrangements Standards and determined that no financial impact arises from adopting the various Standards.

**AASB 2012-3*****Amendments To Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]***

This standard adds application guidance AASB 132 to address inconsistencies identifies in applying some of the offsetting criteria, including clarifying the meaning of “currently has legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

The model Commission does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.

**AASB 2012-3**      ***Accounting Standards - Offsetting Financial Assets and Financial liabilities [AASB 132]***

This standard adds application guidance AASB 132 to address inconsistencies identifies in applying some of the offsetting criteria, including clarifying the meaning of “currently has legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.

The model Commission does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.

**AASB 2013-3**      ***Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets***

This standard introduces editorial and disclosure changes. There is no Financial impact.

**AASB 2013-4**      ***Amendments To Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB]***

This standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of law or regulations. The Commission does not routinely enter in derivatives or hedges, therefore there is no financial impact.

**AASB 2013-8**      ***Amendments To Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities [AASB 10,12 & 1049]***

The amendments, issued in October 2013, provide significant guidance in determining whether a not-for-profit entity controls another entity when financial returns are key attribute of the investors relationship. The standard has no financial impact in its own right, rather the impact result from the adoption of the amended AASB 10.

**AASB 2013-9**      ***Amendments To Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.***

Part B of this omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014. It has no financial impacts.

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**AASB 2014-1*****Amendments To Australian Accounting Standards***

Part A of this Standard consists primarily of clarifications to Australian Standards and has no financial impact for the Commission.

Part B of this Standard has no financial impact for the Commission contributes to schemes that are either defined contribution plans, or deemed to be defined contribution plans.

Part C of the Standard has no financial impact as it removes references to AASB 1031 Materiality from a number of Accounting Standards.



## Future Impact of Australian Accounting Standards Not Yet Operative

The Commission cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Commission has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Commission. Where applicable, the Commission plans to apply these Australian Accounting Standards from their application date.

|                    |   | <b>OPERATIVE FOR<br/>REPORTING<br/>PERIODS<br/>BEGINNING<br/>ON/AFTER</b> |
|--------------------|---|---|
| <b>AASB9</b>       | <b><i>Financial Instruments</i></b>   | <b>1 Jan 2018</b>   |
|                    | <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard was amended to 1 January 2018. The Commission has not yet determined the application of the potential impact of the Standard.</p>   |   |
| <b>AASB 15</b>     | <b><i>Revenue from Contracts with Customers</i></b>   | <b>1 Jan 2017</b>   |
|                    | <p>This Standard, establishes the principles that the Commission shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of the revenue and the cash flows arising from a contract with a customer. The Commission has not yet determined the application or the potential impact of the Standard.</p>                 |   |
| <b>AASB 2010-7</b> | <b><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></b>   | <b>1 Jan 2018</b>   |
|                    | <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Commission has not yet determined the application or the potential impact of the Standard.</p> |   |

|                    |   |                   |
|--------------------|---|-------------------|
| <b>AASB 2013-9</b> | <b>Amendments To Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments.</b>   | <b>1 Jan 2015</b> |
|                    | Part C of this omnibus Standard defers the application of AASB 9 to 1 January 2017. The application date of the AASB 9 was subsequently deferred to the 1 January 2018 by AASB 2014-1. The Commission has not yet determined the application or the potential impact of AASB 9. |                   |
| <b>AASB 2014-1</b> | <b>Amendments To Australian Accounting Standards.</b>   | <b>1 Jan 2018</b> |
|                    | Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Commission to determine the application or potential impact of the Standard.  |                   |
| <b>AASB 2014-3</b> | <b>Amendments To Australian Accounting Standards - Accounting for acquisitions of interests in Joint Operations [AASB 1 &amp; 11]</b>   | <b>1 Jan 2016</b> |
|                    | The Commission establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.  |                   |
| <b>AASB 2014-4</b> | <b>Amendments To The Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</b>  | <b>1 Jan 2016</b> |
|                    | The adoption of this Standard has no financial impact for the Commission as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of the future economic benefits.  |                   |
| <b>AASB 2014-5</b> | <b>Amendments To Australian Accounting Standards Arising from AASB 15.</b>  | <b>1 Jan 2017</b> |
|                    | This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuances of AASB 15. The Commission has not yet determined the application or the potential impact of the Standard.                 |                   |

|                     |   |                   |
|---------------------|---|-------------------|
| <b>AASB 2014-7</b>  | <b>Amendments To Australian Accounting Standards arising from AASB 15.</b>  | <b>1 Jan 2018</b> |
|                     | <p>This Standard gives effect to the consequential amendments to the Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Commission has not yet determined the application or the potential impact of the Standard.</p>  |                   |
| <b>AASB 2014-8</b>  | <b>Amendments To Australian Accounting Standards arising from AASB 9 (December 2014)- Applications AASB 9 (December 2009) and AASB (December 2010) [AASB 9 (2009 &amp; 2010)].</b>  | <b>1 Jan 2015</b> |
|                     | <p>This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments.</p>  |                   |
| <b>AASB 2014-9</b>  | <b>Amendments To Australian Accounting Standards - Equity Method in Financial Statements [AASB1, 127 &amp; 128]</b>   | <b>1 Jan 2016</b> |
|                     | <p>This Standard amends AASB 127, and the consequentially amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Commission has not yet determined the application or the potential impact of the standard.</p> |                   |
| <b>AASB 2014-10</b> | <b>Amendments to Australian Accounting Standards - Sale or Contributions of Assets between and Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</b>  | <b>1 Jan 2016</b> |
|                     | <p>This Standard amends AASB 10 and AASB 128 to address and inconsistency between an investor and its associate or joint venture. The Commission has not yet determined the application or the potential impact of the Standard.</p>  |                   |
| <b>AASB 2015-1</b>  | <b>Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2014-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</b>  | <b>1 Jan 2016</b> |
|                     | <p>These amendments arise from the issuance of international Financial Reporting Standard Annual improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The Commission has not yet determined the application or the potential of the Standard.</p>  |                   |

|                    |   |                   |
|--------------------|---|-------------------|
| <b>AASB 2015-2</b> | <b>Amendments to Australian Accounting Statements - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</b>   | <b>1 Jan 2016</b> |
|                    | <p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about the existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.</p> |                   |
| <b>AASB 2015-3</b> | <b>Amendments to Australian Standards - arising from the Withdrawal of AASB 1031 Materiality</b>  | <b>1 Jul 2015</b> |
|                    | <p>This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.</p>  |                   |
| <b>AASB 2015-6</b> | <b>Amendments to Australian Accounting Standards - Extending Related Party Disclosures to not-for-profit Public Sector Entities [AASB10, 124 &amp; 1049]</b>  | <b>1 Jan 2016</b> |
|                    | <p>The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. The Commission has not yet determined the application of the Standard, though there is no financial impact.</p>   |                   |

## NOTE 6.

| <b>EMPLOYEE BENEFITS EXPENSE</b> | <b>2015</b>      | <b>2014</b>      |
|----------------------------------|------------------|------------------|
|                                  | <b>\$</b>        | <b>\$</b>        |
| Wages and salaries (a)           | 1,158,490        | 1,365,326        |
| Superannuation (b)               | 101,868          | 101,657          |
|                                  | <b>1,260,358</b> | <b>1,466,983</b> |

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State and Gold State and GESB Super Scheme (contributions paid).

Employment on-costs expenses, such as workers' compensation, insurance, are included at note 11 'Other Expenses'.

Employment on-costs liability is included at note 22 'Provisions'

## NOTE 7.

| <b>SUPPLIES AND SERVICES</b> | <b>2015</b>    | <b>2014</b>    |
|------------------------------|----------------|----------------|
|                              | <b>\$</b>      | <b>\$</b>      |
| Communications               | 29,392         | 32,749         |
| Consultants and contractors  | 577,871        | 456,142        |
| Consumables                  | 34,643         | 19,090         |
| Travel                       | 60,240         | 52,585         |
| Maintenance                  | 80             | 2,352          |
| Employee related expenses    | 11,372         | 6,791          |
| Other                        | 39,770         | 60,553         |
|                              | <b>753,368</b> | <b>630,242</b> |

## NOTE 8.

| <b>DEPRECIATION AND AMORTISATION EXPENSE</b> | <b>2015</b>   | <b>2013</b>  |
|--|---------------|--------------|
|  | <b>\$</b>     | <b>\$</b>    |
| <b><i>Depreciation</i></b>                   |               |              |
| Furniture and fittings                       | 1,685         | 1,685        |
| Office equipment                             | 1,649         | 1,649        |
| Computer hardware                            | 17,878        | -            |
| <b>Total depreciation</b>                    | <b>21,212</b> | <b>3,334</b> |
| <b><i>Amortisation</i></b>                   |               |              |
| Intangible assets-computer software          | 5,619         | -            |
| <b>Total amortisation</b>                    | <b>5,619</b>  | <b>-</b>     |
| <b>Total depreciation and amortisation</b>   | <b>26,831</b> | <b>3,334</b> |

## NOTE 9.

| <b>ACCOMMODATION EXPENSES</b> | <b>2015</b>    | <b>2014</b>    |
|-------------------------------|----------------|----------------|
|                               | <b>\$</b>      | <b>\$</b>      |
| Lease rentals                 | 156,930        | 185,996        |
| Repairs and Maintenance       | 700            | 160            |
| Power and Water               | 3,125          | 2,352          |
|                               | <b>160,755</b> | <b>188,508</b> |

## NOTE 10.

| <b>GRANTS AND SUBSIDIES</b>        | <b>2015</b>    | <b>2014</b>      |
|------------------------------------|----------------|------------------|
|                                    | <b>\$</b>      | <b>\$</b>        |
| <u>Royalties for Regions Funds</u> |                |                  |
| Regional grants                    | 369,937        | 2,535,497        |
| Community chest                    | 368,266        | -                |
| Blueprint                          | 5,625          | 26,058           |
| Minor Grants and Subsidies         | -              | 32,500           |
|                                    | <b>743,828</b> | <b>2,594,055</b> |

(a) The grant expenditure to the Shire of Esperance relates to the Foreshore Protection and Enhancement Project.

## NOTE 11.

| <b>OTHER EXPENSES</b>  | <b>2015</b>    | <b>2014</b>  |
|------------------------|----------------|--------------|
|                        | <b>\$</b>      | <b>\$</b>    |
| Other expenses (a) (b) | 139,640        | 1,075        |
|                        | <b>139,640</b> | <b>1,075</b> |

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Includes \$138,902 return of unspent RfR grants monies to Department of Treasury (\$52,402) and to Department of Regional Development (\$86,500).

## NOTE 12.

| <b>OTHER REVENUE FROM ORDINARY ACTIVITIES</b> | <b>2015</b>   | <b>2014</b>  |
|---|---------------|--------------|
|   | <b>\$</b>     | <b>\$</b>    |
| Other revenue/recoups                         | 10,962        | 6,926        |
|   | <b>10,962</b> | <b>6,926</b> |

## NOTE 13.

| <b>INCOME FROM STATE GOVERNMENT</b>                          | <b>2015</b>      | <b>2014</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| Appropriation received during the period:                    |                  |                  |
| Service appropriation (a)                                    | 225,000          | 374,000          |
|  | 225,000          | 374,000          |
| Income received from Other State Agencies                    | 7,261            | 252,422          |
|  | 7,261            | 252,422          |
| Resources received free of charge:                           |                  |                  |
| Government Accommodation-Leasing                             | 17,677           | 15,508           |
|  | 17,677           | 15,508           |
| Royalties for Regions Fund:                                  |                  |                  |
| Royalties for Regions Regional Community Services (b)        | 936,057          | 1,402,997        |
| Royalties for Regions Regional and Statewide Initiatives (b) | 1,600,000        | 1,705,782        |
|  | 2,536,057        | 3,108,779        |
|  | <b>2,785,995</b> | <b>3,750,709</b> |

(a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriations revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) This is a sub-fund within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to project and programs in WA regional areas.



## NOTE 14.

| <b>RESTRICTED CASH AND CASH EQUIVALENTS</b> | <b>2015</b>    | <b>2014</b>    |
|---|----------------|----------------|
|   | <b>\$</b>      | <b>\$</b>      |
| <b><u>Current</u></b>                       |                |                |
| Royalties for Regions Grants Scheme (a)     | 407,387        | 777,062        |
| Accrued salaries suspense account (b)       | 46,904         | -              |
|   | <b>454,291</b> | <b>777,062</b> |
| <b><u>Non-Current</u></b>                   |                |                |
| Accrued salaries suspense account (b)       | -              | 46,904         |
|   | <b>-</b>       | <b>46,904</b>  |

(a) These unspent funds are committed to projects and programs in the region.

(b) Funds held in the suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

## NOTE 15.

| <b>RECEIVABLES</b>    | <b>2015</b>   | <b>2014</b>   |
|-----------------------|---------------|---------------|
|                       | <b>\$</b>     | <b>\$</b>     |
| <b><u>Current</u></b> |               |               |
| Trade debtors         | 499           | 4,039         |
| Other debtors         | 12            | -             |
| GST Receivable        | 85,333        | 8,332         |
| <b>TOTAL CURRENT</b>  | <b>85,844</b> | <b>12,371</b> |

## NOTE 16.

| <b>AMOUNTS RECEIVABLE FOR SERVICES (HOLDING ACCOUNT)</b> | <b>2015</b>    | <b>2014</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| Non-Current  | 195,000        | 195,000        |
|  | <b>195,000</b> | <b>195,000</b> |

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

## NOTE 17.

| <b>OTHER ASSETS</b>   | <b>2015</b>   | <b>2014</b>  |
|-----------------------|---------------|--------------|
|                       | <b>\$</b>     | <b>\$</b>    |
| <b><u>Current</u></b> |               |              |
| Prepayments           | 30,087        | 8,180        |
| <b>Total current</b>  | <b>30,087</b> | <b>8,180</b> |

## NOTE 18.

| PROPERTY, PLANT AND EQUIPMENT    | 2015<br>\$    | 2014<br>\$   |
|----------------------------------|---------------|--------------|
| Furniture and fittings at cost   | 30,491        | 30,491       |
| Accumulated depreciation         | (30,491)      | (28,805)     |
|                                  | -             | <b>1,686</b> |
| Office equipment at cost         | 22,887        | 22,887       |
| Accumulated depreciation         | (18,352)      | (16,703)     |
|                                  | <b>4,535</b>  | <b>6,184</b> |
| Computing hardware at cost       | 64,609        | 50,977       |
| Accumulated depreciation         | (17,878)      | (50,977)     |
|                                  | <b>46,731</b> | -            |
| Communications equipment at cost | 28,353        | 28,353       |
| Accumulated depreciation         | (28,353)      | (28,353)     |
|                                  | -             | -            |
| <b>Total Plant And Equipment</b> | <b>51,266</b> | <b>7,870</b> |

All Property, Plant and Equipment are measured at cost.

Reconciliations of the carrying amounts for furniture, equipment and computers, at the beginning and end of the reporting period are set out in the table below:

|                                       | FURNITURE<br>& FITTINGS<br>\$ | OFFICE<br>EQUIPMENT<br>\$ | COMPUTING<br>HARDWARE<br>\$ | COMMS.<br>EQUIPMENT<br>\$ | TOTAL<br>\$   |
|---------------------------------------|-------------------------------|---------------------------|-----------------------------|---------------------------|---------------|
| <b>2015</b>                           |                               |                           |                             |                           |               |
| Carrying amount at start of year      | 1,686                         | 6,184                     | -                           | -                         | 7,870         |
| Additions                             | -                             | -                         | 64,609                      | -                         | 64,609        |
| Disposals                             | -                             | -                         | -                           | -                         | -             |
| Depreciation                          | (1,686)                       | (1,649)                   | (17,878)                    | -                         | (21,213)      |
| Reclassification                      | -                             | -                         | -                           | -                         | -             |
| <b>Carrying Amount At End Of Year</b> | <b>-</b>                      | <b>4,535</b>              | <b>46,731</b>               | <b>-</b>                  | <b>51,266</b> |

|                                       | FURNITURE<br>& FITTINGS<br>\$ | OFFICE<br>EQUIPMENT<br>\$ | COMPUTING<br>HARDWARE<br>\$ | COMMS.<br>EQUIPMENT<br>\$ | TOTAL<br>\$  |
|---------------------------------------|-------------------------------|---------------------------|-----------------------------|---------------------------|--------------|
| <b>2014</b>                           |                               |                           |                             |                           |              |
| Carrying amount at start of year      | 3,371                         | 7,833                     | -                           | -                         | 11,204       |
| Additions                             | -                             | -                         | -                           | -                         | -            |
| Disposals                             | -                             | -                         | -                           | -                         | -            |
| Depreciation                          | (1,685)                       | (1,649)                   | -                           | -                         | (3,334)      |
| Reclassification                      | -                             | -                         | -                           | -                         | -            |
| <b>Carrying Amount At End Of Year</b> | <b>1,686</b>                  | <b>6,184</b>              | <b>-</b>                    | <b>-</b>                  | <b>7,870</b> |

## NOTE 19.

| <b>INTANGIBLE ASSET</b>          | <b>2015</b>   | <b>2014</b> |
|----------------------------------|---------------|-------------|
|                                  | <b>\$</b>     | <b>\$</b>   |
| Computer software                |               |             |
| At cost                          | 20,307        | 11,809      |
| Accumulated amortisation         | (5,619)       | (11,809)    |
|                                  | <b>14,688</b> | <b>-</b>    |
| <hr/>                            |               |             |
| <u>Computer Software</u>         |               |             |
| Carrying amount at start of year | -             | -           |
| Additions                        | 20,307        | -           |
| Disposals                        | -             | -           |
| Amortation expense               | (5,619)       | -           |
|                                  | <b>14,688</b> | <b>-</b>    |
| <hr/>                            |               |             |

## NOTE 20. IMPAIRMENT OF ASSETS

There were no indications of impairment to plant and equipment, or intangible assets at 30 June 2015.

The Commission held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

All surplus assets at 30 June 2015 have either been classified as assets held for sale or written-off.

## NOTE 21.

| <b>PAYABLES</b>  | <b>2015</b>   | <b>2014</b>   |
|------------------|---------------|---------------|
|                  | <b>\$</b>     | <b>\$</b>     |
| Accrued Salaries | 31,785        | 20,115        |
| Accrued expenses | 42,885        | 32,920        |
|                  | <b>74,670</b> | <b>53,035</b> |
| <hr/>            |               |               |

## NOTE 22.

| PROVISIONS                     | 2015<br>\$     | 2014<br>\$     |
|--------------------------------|----------------|----------------|
| <b><i>Current</i></b>          |                |                |
| Employee benefits provision    |                |                |
| Annual leave(a)                | 68,425         | 41,446         |
| Long service leave(b)          | 74,250         | 77,793         |
|                                | <b>142,675</b> | <b>119,239</b> |
| <b><i>Other provisions</i></b> |                |                |
| Employment On Costs            | 989            | 836            |
|                                | <b>989</b>     | <b>836</b>     |
|                                | <b>143,664</b> | <b>120,075</b> |
| <b><i>Non-current</i></b>      |                |                |
| Employee benefits provision    | 60,257         | 33,066         |
|                                | <b>60,257</b>  | <b>60,257</b>  |
| Employee benefits provision    | 436            | 239            |
|                                | <b>436</b>     | <b>239</b>     |
|                                | <b>60,693</b>  | <b>33,305</b>  |

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | 2015<br>\$    | 2014<br>\$    |
|---|---------------|---------------|
| Within 12 months of the end of the reporting period       | 59,279        | 41,112        |
| More than 12 months after the end of the reporting period | 9,146         | 334           |
|   | <b>68,425</b> | <b>41,446</b> |

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | 2015<br>\$     | 2014<br>\$     |
|---|----------------|----------------|
| Within 12 months of the end of the reporting period       | 85,828         | 77,793         |
| More than 12 months after the end of the reporting period | 48,679         | 33,066         |
|   | <b>134,507</b> | <b>110,859</b> |

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including worker's compensation Insurance. The provision is the present value of expected future payments.

The associated expense, apart from unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

## NOTE 23. EQUITY

Equity represents the residual interest in the net assets of the Commission. The Government holds the equity interest in the Commission on behalf of the community.

| <b>CONTRIBUTED EQUITY</b>            | <b>2015</b>   | <b>2014</b>   |
|--------------------------------------|---------------|---------------|
|                                      | <b>\$</b>     | <b>\$</b>     |
| Balance at start of period           | 54,000        | 54,000        |
| <u>Contributions by owners</u>       |               |               |
| Capital appropriation                | -             | -             |
| <b>Total contributions by owners</b> | -             | -             |
| <b>Balance At End Of Period</b>      | <b>54,000</b> | <b>54,000</b> |

| <b>ACCUMULATED SURPLUS</b>           | <b>2015</b>      | <b>2014</b>      |
|--------------------------------------|------------------|------------------|
|                                      | <b>\$</b>        | <b>\$</b>        |
| Balance at start of period           | 2,300,995        | 3,427,557        |
| Result for the period                | (287,823)        | (1,126,562)      |
| <b>Balance At End Of Period</b>      | <b>2,013,172</b> | <b>2,300,995</b> |
| <b>Total Equity At End Of Period</b> | <b>2,067,172</b> | <b>2,354,995</b> |

## NOTE 24. NOTES TO THE STATEMENT OF CASH FLOWS

### RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

|                           | 2015             | 2014             |
|---------------------------|------------------|------------------|
|                           | \$               | \$               |
| Cash and cash equivalents | 1,515,023        | 1,514,023        |
| Restricted cash assets    | 454,291          | 823,966          |
|                           | <b>1,969,314</b> | <b>2,337,989</b> |

### RECONCILIATION OF NET COST OF SERVICES TO NET CASH FLOWS USED IN OPERATING ACTIVITIES

|  | 2015               | 2014               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Net cost of services                         | (3,073,818)        | (4,877,271)        |
| <u>Non-cash items:</u>                       |                    |                    |
| Resources received free of charge            | 17,677             | 15,508             |
| Depreciation and amortisation expense        | 26,831             | 3,334              |
| <u>(Increase)/decrease in assets:</u>        |                    |                    |
| Current receivables (a)                      | 3,528              | (4,025)            |
| Other current assets                         | (21,907)           | (8,180)            |
| <u>Increase/(decrease) in liabilities:</u>   |                    |                    |
| Current payables (a)                         | -                  | (5,328)            |
| Current provisions                           | 23,589             | (67,459)           |
| Other current liabilities                    | 21,635             | -                  |
| Non-current provisions                       | 27,388             | 1,215              |
| Net GST receipts/(payments) (b)              | (77,001)           | 8,466              |
| Change in GST in receivables/payables(c)     | -                  | (599)              |
| <b>Net Cash Used in Operating Activities</b> | <b>(3,052,078)</b> | <b>(4,934,339)</b> |

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included.

(b) This is the net GST paid/received, i.e. cash transaction.

(c) This reverses out the GST in receivables and payables.

## NOTE 25. RESOURCES PROVIDED FREE OF CHARGE

The Commission did not provide any resources free of charge.

## NOTE 26. COMMITMENTS

### NON-CANCELLABLE OPERATING LEASE COMMITMENTS

Commitments for minimum lease payments are payable as follows:

|  | 2015           | 2014           |
|--|----------------|----------------|
|  | \$             | \$             |
| Within 1 year                                | 201,927        | 133,291        |
| Later than 1 year and not later than 5 years | 329,895        | 211,885        |
|  | <b>531,822</b> | <b>345,176</b> |

The Commission has commitments for property leases for an office and staffs housing that are non-cancellable, with two properties with leases of up to five years.

## NOTE 27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At the reporting date, the Commission had no contingent liabilities or contingent assets.

## NOTE 28. CONTROLLED ENTITIES

At the reporting date the Commission had no controlled entities.

## NOTE 29. EVENT OCCURRING AFTER THE FINANCIAL POSITION DATE

No material events have occurred after 30 June 2015.



## NOTE 30. EXPLANATORY STATEMENT

Significant variations between estimates and actual results for 2015 and between the actuals results for 2014 and 2015 are shown below. Significant variations are considered to be those greater than 10% and \$50,000.

| STATEMENT OF COMPREHENSIVE INCOME<br>EXPENSES               | VARIANCE<br>NOTE | ORIGINAL<br>BUDGET<br>2015 | ACTUAL<br>2015   | ACTUAL<br>2014     | VARIANCE<br>BETWEEN<br>EST. &<br>ACTUAL | VARIANCE<br>BETWEEN<br>ACTUAL<br>RESULTS FOR<br>2015 & 2014 |
|---|------------------|----------------------------|------------------|--------------------|---|---|
| Employee benefits expense                                   | 1, A             | 1,366,244                  | 1,260,358        | 1,466,983          | (105,886)                               | (206,625)   |
| Supplies and services                                       | 2, B             | 511,000                    | 753,368          | 630,242            | 242,368                                 | 123,126   |
| Depreciation and amortisation expense                       |                  | 3,000                      | 26,831           | 3,334              | 23,831                                  | 23,497  |
| Accommodation expenses                                      |                  | 164,000                    | 160,755          | 188,508            | (3,245)                                 | (27,753)  |
| Grants and subsidies  | 3, C             | 16,000                     | 743,828          | 2,594,055          | 727,828                                 | (1,850,227)   |
| Other expenses  | 4, D             | 11,000                     | 139,640          | 1,075              | 128,640                                 | 138,565   |
| <b>Total Cost Of Services</b>                               |                  | <b>2,071,244</b>           | <b>3,084,780</b> | <b>4,884,197</b>   | <b>1,013,536</b>                        | <b>(1,799,417)</b>  |
| <b>Income</b>   |                  |                            |                  |                    |   |   |
| Revenue   |                  |                            |                  |                    |   |   |
| Other revenue   |                  | 6,244                      | 10,962           | 6,926              | 4,718                                   | 4,036   |
| <b>Total Revenue</b>  |                  | -                          | 10,962           | 6,926              | 4,718                                   | 4,036   |
| <b>Total Income other than income from State Government</b> |                  | -                          | 10,962           | 6,926              | 4,718                                   | 4,036   |
| <b>NET COST OF SERVICES</b>                                 |                  | <b>2,065,000</b>           | <b>3,073,818</b> | <b>4,877,271</b>   | <b>1,008,818</b>                        | <b>(1,803,453)</b>  |
| <b>Income from State Government</b>                         |                  |                            |                  |                    |   |   |
| Service appropriation                                       | E                | 225,000                    | 225,000          | 374,000            | -                                       | (149,000)   |
| Royalties for Regions                                       | F                | -                          | 7,261            | 252,422            | 7,261                                   | (245,161)   |
| Income received from Other State Agencies                   | 5, G             | 1,752,000                  | 2,536,057        | 3,108,779          | 784,057                                 | (572,722)   |
| Resources received free of charge                           |                  | 12,000                     | 17,677           | 15,508             | 5,677                                   | 2,169   |
| <b>Total income from State Government</b>                   |                  | <b>1,989,000</b>           | <b>2,785,995</b> | <b>3,750,709</b>   | <b>796,995</b>                          | <b>(964,714)</b>  |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     |                  | <b>(76,000)</b>            | <b>(287,823)</b> | <b>(1,126,562)</b> | <b>(211,823)</b>                        | <b>838,739</b>  |

| STATEMENT OF FINANCIAL POSITION      | VARIANCE<br>NOTE | ORIGINAL<br>BUDGET<br>2015 | ACTUAL<br>2015   | ACTUAL<br>2014   | VARIANCE<br>BETWEEN<br>EST. &<br>ACTUAL | VARIANCE<br>BETWEEN<br>ACTUAL<br>RESULTS FOR<br>2015 & 2014 |
|--------------------------------------|------------------|----------------------------|------------------|------------------|---|---|
| <b>ASSETS</b>                        |                  |                            |                  |                  |   |   |
| <b>Current Assets</b>                |                  |                            |                  |                  |   |   |
| Cash and cash equivalents            |                  | 1,499,000                  | 1,515,023        | 1,514,023        | 16,023                                  | 1,000   |
| Restricted cash and cash equivalents | 6, H             | 2,000                      | 454,291          | 777,062          | 452,291                                 | (322,771)   |
| Receivables                          |                  | 16,000                     | 85,844           | 12,371           | 69,844                                  | 73,473  |
| Other Current Assets                 |                  | -                          | 30,087           | 8,180            | 30,087                                  | 21,907  |
| <b>Total Current Assets</b>          |                  | <b>1,517,000</b>           | <b>2,085,245</b> | <b>2,311,636</b> | <b>568,245</b>                          | <b>(226,391)</b>  |
| <b>Non-Current Assets</b>            |                  |                            |                  |                  |   |   |
| Restricted cash and cash equivalents |                  | -                          | -                | 46,904           | -                                       | (46,904)  |
| Amounts receivable for services      |                  | 195,000                    | 195,000          | 195,000          | -                                       | -   |
| Property, plant and equipment        |                  | 5,000                      | 51,266           | 7,870            | 46,266                                  | 43,395  |
| Intangible assets                    |                  | -                          | 14,688           | -                | 14,688                                  | 14,688  |
| <b>Total Non-Current Assets</b>      |                  | <b>200,000</b>             | <b>260,954</b>   | <b>249,774</b>   | <b>60,954</b>                           | <b>11,179</b>   |
| <b>TOTAL ASSETS</b>                  |                  | <b>1,717,000</b>           | <b>2,346,199</b> | <b>2,561,410</b> | <b>629,199</b>                          | <b>(215,212)</b>  |

| STATEMENT OF FINANCIAL POSITION      | VARIANCE<br>NOTE | ORIGINAL<br>BUDGET<br>2015 | ACTUAL<br>2015   | ACTUAL<br>2014   | VARIANCE<br>BETWEEN<br>EST. &<br>ACTUAL | VARIANCE<br>BETWEEN<br>ACTUAL<br>RESULTS FOR<br>2015 & 2014 |
|--------------------------------------|------------------|----------------------------|------------------|------------------|---|---|
| <b>LIABILITIES</b>                   |                  |                            |                  |                  |   |   |
| <b>Current Liabilities</b>           |                  |                            |                  |                  |   |   |
| Payables                             |                  | 34,000                     | 74,670           | 53,035           | 40,670                                  | 21,635  |
| Provisions                           |                  | 181,000                    | 143,664          | 120,075          | (37,336)                                | 23,589  |
| Other                                |                  | 24,000                     | -                | -                | (24,000)                                | -   |
| <b>Total Current Liabilities</b>     |                  | <b>239,000</b>             | <b>218,334</b>   | <b>173,110</b>   | <b>(20,666)</b>                         | <b>45,224</b>   |
| <b>Non-Current Liabilities</b>       |                  |                            |                  |                  |   |   |
| Provisions                           |                  | 32,000                     | 60,693           | 33,305           | 28,693                                  | 27,388  |
| <b>Total Non-Current Liabilities</b> |                  | <b>32,000</b>              | <b>60,693</b>    | <b>33,305</b>    | <b>28,693</b>                           | <b>27,388</b>   |
| <b>TOTAL LIABILITIES</b>             |                  | <b>271,000</b>             | <b>279,027</b>   | <b>206,415</b>   | <b>8,027</b>                            | <b>72,612</b>   |
| <b>NET ASSETS</b>                    |                  | <b>1,446,000</b>           | <b>2,067,172</b> | <b>2,354,995</b> | <b>621,172</b>                          | <b>287,824</b>  |
| <b>EQUITY</b>                        |                  |                            |                  |                  |   |   |
| Contributed Equity                   |                  | 54,000                     | 54,000           | 54,000           | -                                       | -   |
| <b>Accumulated surplus/(deficit)</b> |                  | <b>1,392,000</b>           | <b>2,013,172</b> | <b>2,300,995</b> | <b>621,172</b>                          | <b>(287,823)</b>  |
| <b>TOTAL EQUITY</b>                  |                  | <b>1,446,000</b>           | <b>2,067,172</b> | <b>2,354,995</b> | <b>621,172</b>                          | <b>(287,823)</b>  |

| STATEMENT OF CASH FLOW                     | VARIANCE<br>NOTE | ORIGINAL<br>BUDGET<br>2015 | ACTUAL<br>2015   | ACTUAL<br>2014   | VARIANCE<br>BETWEEN<br>EST. &<br>ACTUAL | VARIANCE<br>BETWEEN<br>ACTUAL<br>RESULTS FOR<br>2015 & 2014 |
|--|------------------|----------------------------|------------------|------------------|---|---|
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>    |                  |                            |                  |                  |   |   |
| Service appropriation                      | I                | 225,000                    | 225,000          | 374,000          | -                                       | (149,000)   |
| Royalties for Regional Fund                | 7, J             | 1,752,000                  | 2,536,057        | 3,108,779        | 784,057                                 | (572,722)   |
| Income received from other State Agencies  | K                | -                          | 7,261            | 252,422          | 7,261                                   | (245,161)   |
| <b>Total Current Assets</b>                |                  | <b>1,977,000</b>           | <b>2,768,318</b> | <b>3,735,201</b> | <b>791,318</b>                          | <b>(966,883)</b>  |
| Utilised as follows:                       |                  |                            |                  |                  |   |   |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b> |                  |                            |                  |                  |   |   |
| <b>Payments</b>                            |                  |                            |                  |                  |   |   |
| Employee benefits                          | 8, L             | (1,366,244)                | (1,197,723)      | (1,546,257)      | 168,521                                 | 348,534   |
| Supplies and services                      | 9, M             | (447,756)                  | (765,310)        | (632,393)        | (317,554)                               | (132,917)   |
| Grants and subsidies                       | 10, N            | (16,000)                   | (743,828)        | (2,594,055)      | (727,828)                               | 1,850,227   |
| Other Expenses                             | 11, O            | (11,000)                   | (139,640)        | -                | (128,640)                               | (139,640)   |
| GST payments on purchases                  |                  | (25,000)                   | (158,825)        | (327,614)        | (133,825)                               | 168,789   |
| GST payments to taxation authority         |                  | -                          | -                | -                | -                                       | -   |
| Accommodation                              |                  | (164,000)                  | (143,078)        | (173,000)        | 20,922                                  | 29,922  |

| STATEMENT OF CASH FLOW                                      | VARIANCE<br>NOTE | ORIGINAL<br>BUDGET<br>2015 | ACTUAL<br>2015     | ACTUAL<br>2014     | VARIANCE<br>BETWEEN<br>EST. &<br>ACTUAL | VARIANCE<br>BETWEEN<br>ACTUAL<br>RESULTS FOR<br>2015 & 2014 |
|---|------------------|----------------------------|--------------------|--------------------|---|---|
| <b>Receipts</b>   |                  |                            |                    |                    |   |   |
| GST receipts on sales                                       | -                | -                          | 1,020              | 2,000              | 1,020                                   | (980)   |
| GST receipts from taxation authority                        | -                | -                          | 80,804             | 334,080            | 80,804                                  | (253,276)   |
| Other receipts  | -                | -                          | 14,502             | 2,900              | 14,502                                  | 11,602  |
| <b>NetCash provided by (used in) operating activities</b>   |                  | <b>(2,030,000)</b>         | <b>(3,052,078)</b> | <b>(4,934,339)</b> | <b>(1,022,078)</b>                      | <b>1,882,261</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                  |                            |                    |                    |   |   |
| <b>Payments</b>   |                  |                            |                    |                    |   |   |
| Purchase of non-current assets                              |                  | (20,000)                   | (84,915)           | -                  | (64,915)                                | (84,915)  |
| Loss on disposal  |                  | -                          | -                  | -                  | -                                       | -   |
| <b>Net cash provided by/(used in) investing activities</b>  |                  | <b>(20,000)</b>            | <b>(84,915)</b>    | <b>-</b>           | <b>(64,915)</b>                         | <b>(84,915)</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b> |                  | <b>(73,000)</b>            | <b>(368,675)</b>   | <b>(1,199,138)</b> | <b>(295,675)</b>                        | <b>830,463</b>  |
| Cash and cash equivalents at the beginning of the period    |                  | 1,574,000                  | 2,337,989          | 3,537,127          | 763,989                                 | (1,199,138)   |
| <b>CASH AND CASH EQUIVILENTS AT THE END OF THE PERIOD</b>   |                  | <b>1,501,000</b>           | <b>1,969,314</b>   | <b>2,337,989</b>   | <b>468,314</b>                          | <b>(368,675)</b>  |

## Major Estimates and Actual (2015) Variance Narratives for Controlled Operations

- 1) Employee Benefits expense underspent by \$105,886 (7%) due to vacancies in permanent positions during the first 6 months of the year.
- 2) Supplies and Services expense exceeded estimates by \$242,368 (47%) is predominantly due to the continuation of the Blueprint Project being approved during the year.
- 3) Grants and Subsidies exceeded estimates due to Royalties for Regions grants, namely Regional Grants Scheme and Community Chest being approved during the year (\$926,000).
- 4) Other expenses exceeded estimates predominately due to the return of unspent Royalties for Regions grants monies to Department of Treasury (\$52,402) and to Department of Regional Development (\$86,500).
- 5) Royalties for Regions increase of \$784,057 (44%) due to Regional Grants Scheme and Community Chest Fund grants being approved during the year.
- 6) Restricted cash and cash equivalents were higher than estimated by \$452,291 due to higher closing cash balances in previous year than anticipated.
- 7) Royalties for Regions received a funding increase for new Royalties for Regions grants scheme being approved during the year, namely Regional Grants Scheme (\$556,000) and Community Chest Fund (\$370,000) grants schemes.
- 8) Employee benefits expense underspent by \$168,521 (12%) due to vacancies in permanent positions during the first 6 months of the year.
- 9) Supplies and Services expense exceeded estimates by \$317,554 (70%) due to the continuation of the Blueprint Project being approved during the year.
- 10) Grants and Subsidies exceeded estimates due to Royalties for Regions grants, namely Regional Grants Scheme and Community Chest being approved during the year (\$926,000).
- 11) Other expenses exceeded estimates predominately due to the return of unspent Royalties for Regions grants monies to Department of Treasury (\$52,402) and to Department of Regional Development (\$86,500).

## Major Actual (2015) and Comparative (2014) Variance Narratives for Controlled Operations

- A) Employee benefits expense decreased by \$206,625 (14%) due to a once-off Enhanced Voluntary Severance payment made during the 2013/14 financial year.
- B) Supplies and Services expense increased by \$123,126 (24%) predominately due to expenditure with the development of the Blueprint for the region.
- C) Grants and Subsidies expense decreased by \$1,850,227 due to the completion of the previous Regional Grants Scheme.
- D) Other expenses increased by \$138,565 predominately due to the return of unspent Royalties for Regions grants monies to Department of Treasury (\$52,402) and to Department of Regional Development (\$86,500).
- E) Service appropriation decreased by \$149,000, due to the severance payments made under the Enhanced Voluntary Severance Scheme during 2013/14
- F) Income received from Other State Agencies decreased by \$245,161 due to a once-off receipt of funds from the Public Sector Commission.
- G) Royalties for Regions Fund decrease is predominately due to a decrease in the funding for Regional Community Services funding for \$584,000 due to the completion of the previous Regional Grants Scheme.
- H) Restricted cash and cash equivalents decreased by \$322,771 due to the completion of the Blueprint project and Country Local Government Fund.
- I) Service appropriation decreased by \$149,000 as funding was received in 2013/14 towards the severance payments made under the Enhanced Voluntary Severance Scheme.
- J) Royalties for Regions Fund funding for the Regional Community Services decreased by \$584,000 due to the completion of the previous Regional Grants Scheme.
- K) Income received from other State Agencies decreased by \$245,161 due to a once-off funds received from the Public Sector Commission in the previous financial year.
- L) Employee benefits cash flow decreased by \$348,534 (22%) due to vacancies in permanent positions and once-off payments made in 2013-14 for the Enhanced Voluntary Severance Payment.
- M) Supplies and Services cash flow increased by \$132,917 (21%) due to the continuation of the Blueprint Project being approved during the year.
- N) Grants and Subsidies cash flow decreased by \$1,850,227 due to the completion of the Royalties for Regions previous Regional Grants Scheme.
- O) Other expenses increased predominately due to the return of unspent Royalties for Regions grants monies to Department of Treasury (\$52,402) and to Department of Regional Development (\$86,500).

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## **NOTE 31. FINANCIAL INSTRUMENTS**

### **(a) Financial risk management objectives and policies**

Financial instruments held by the Commission are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Commission has limited exposure to financial risks. The Commission's overall risk management program focuses on managing the risks identified below.

#### ***Credit Risk***

Credit risk arises when there is the possibility of the Commission's receivables defaulting on their contractual obligations resulting in financial loss to the Commission.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 31 (c) 'Financial instrument disclosures' and Note 15 'Receivables'.

Credit risk associated with the Commission's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Commission trades only with recognised, creditworthy third parties. The Commission has policies in place to ensure that services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

#### ***Liquidity Risk***

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due.

The Commission is exposed to liquidity risk through its trading in the normal course of business.

The Commission has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.



## Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Commission's income or value of its holdings of financial instruments. The Commission does not trade in foreign currency and is not materially exposed to other price risks.

### (b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

|                                 | 2015             | 2014             |
|---------------------------------|------------------|------------------|
|                                 | \$               | \$               |
| <b>Financial Assets</b>         |                  |                  |
| Cash and cash equivalents       | 1,515,023        | 1,514,023        |
| Restricted Cash                 | 454,291          | 823,966          |
| Receivables                     | 511              | 4,039            |
| Amounts receivable for services | 195,000          | 195,000          |
|                                 | <b>2,164,825</b> | <b>2,537,028</b> |
| <b>Financial Liabilities</b>    |                  |                  |
| Payables (a)                    | 74,670           | 53,035           |
|                                 | <b>74,670</b>    | <b>53,035</b>    |

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

## (c) Financial Instrument Disclosures

### Credit Risk

The following table details the Commission's maximum exposure to credit risk and the ageing analysis of financial assets. The Commission's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Commission.

The Commission does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

| AGED ANALYSIS OF FINANCIAL ASSETS  |                          |   |                           |              |                    |                    |                               |                                       |
|------------------------------------|--------------------------|---|---------------------------|--------------|--------------------|--------------------|-------------------------------|---------------------------------------|
|                                    | CARRYING<br>AMOUNT<br>\$ | NOT PAST<br>DUE & NOT<br>IMPAIRED<br>\$ | PAST DUE BUT NOT IMPAIRED |              |                    |                    |                               | IMPAIRED<br>FINANCIAL<br>ASSETS<br>\$ |
|                                    |                          |   | UP TO<br>3<br>MTHS        | 3-12<br>MTHS | 1-2<br>YEARS<br>\$ | 2-5<br>YEARS<br>\$ | MORE THAN<br>5<br>YEARS<br>\$ |                                       |
| <b>2015</b>                        |                          |   |                           |              |                    |                    |                               |                                       |
| Cash & cash equivalents            | 1,515,023                | 1,515,023                               | -                         | -            | -                  | -                  | -                             | -                                     |
| Restricted cash & cash equivalents | 454,291                  | 454,291                                 | -                         | -            | -                  | -                  | -                             | -                                     |
| Receivables (a)                    | 511                      | 511                                     | -                         | -            | -                  | -                  | -                             | -                                     |
| Amounts receivable<br>for services | 195,000                  | 195,000                                 | -                         | -            | -                  | -                  | -                             | -                                     |
|                                    | <b>2,164,825</b>         | <b>2,164,825</b>                        | -                         | -            | -                  | -                  | -                             | -                                     |

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

## AGED ANALYSIS OF FINANCIAL ASSETS

|                                    | CARRYING<br>AMOUNT<br>\$ | NOT PAST<br>DUE & NOT<br>IMPAIRED<br>\$ | PAST DUE BUT NOT IMPAIRED |              |                    |                    |                               | IMPAIRED<br>FINANCIAL<br>ASSETS<br>\$ |
|------------------------------------|--------------------------|---|---------------------------|--------------|--------------------|--------------------|-------------------------------|---------------------------------------|
|                                    |                          |   | UP TO<br>3<br>MTHS        | 3-12<br>MTHS | 1-2<br>YEARS<br>\$ | 2-5<br>YEARS<br>\$ | MORE THAN<br>5<br>YEARS<br>\$ |                                       |
| <b>2014</b>                        |                          |   |                           |              |                    |                    |                               |                                       |
| Cash & cash equivalents            | 1,514,023                | 1,514,023                               | -                         | -            | -                  | -                  | -                             | -                                     |
| Restricted cash & cash equivalents | 823,966                  | 823,966                                 | -                         | -            | -                  | -                  | -                             | -                                     |
| Receivables (a)                    | 4,039                    | 4,039                                   | -                         | -            | -                  | -                  | -                             | -                                     |
| Amounts receivable for services    | 195,000                  | 195,000                                 | -                         | -            | -                  | -                  | -                             | -                                     |
|                                    | <b>2,537,028</b>         | <b>2,537,028</b>                        | -                         | -            | -                  | -                  | -                             | -                                     |

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

## Liquidity Risk and Interest Rate Exposure

The following table details the Commission's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

| INTEREST RATE EXPOSURE AND MATURITY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES |  |                  |                           |                              |                             |                   |                  |                |                |                |                         |
|---|--|------------------|---------------------------|------------------------------|-----------------------------|-------------------|------------------|----------------|----------------|----------------|-------------------------|
|   | INTEREST RATE EXPOSURE                               |                  |                           |                              |                             |                   | MATURITY DATES   |                |                |                |                         |
|   | WEIGHTED<br>AVERAGE<br>EFFECTIVE<br>INTEREST<br>RATE | CARRYING<br>AMT  | FIXED<br>INTEREST<br>RATE | VARIABLE<br>INTEREST<br>RATE | NON-<br>INTEREST<br>BEARING | NOMINAL<br>AMOUNT | UP TO 3<br>MTHS  | 3 - 12<br>MTHS | 1 - 2<br>YEARS | 2 - 5<br>YEARS | MORE<br>THAN<br>5 YEARS |
| 2015  | %  | \$               | \$                        | \$                           | \$                          | \$                | \$               | \$             | \$             | \$             | \$                      |
| <b>Financial Assets</b>   |  |                  |                           |                              |                             |                   |                  |                |                |                |                         |
| Cash and cash equivalents   | -  | 1,515,023        | -                         | -                            | -                           | 1,515,023         | 1,515,023        | -              | -              | -              | -                       |
| Restricted cash and cash equivalents  | -  | 454,291          | -                         | -                            | -                           | 454,291           | 454,291          | -              | -              | -              | -                       |
| Receivables (a)   | -  | 511              | -                         | -                            | -                           | 511               | 511              | -              | -              | -              | -                       |
| Amounts receivable for services   | -  | 195,000          | -                         | -                            | -                           | 195,000           | -                | -              | -              | -              | 195,000                 |
|   | -  | <b>2,164,825</b> | -                         | -                            | -                           | <b>2,164,825</b>  | <b>1,969,825</b> | -              | -              | -              | <b>195,000</b>          |
| <b>Financial Liabilities</b>  |  |                  |                           |                              |                             |                   |                  |                |                |                |                         |
| Payables  | -  | 74,670           | -                         | -                            | -                           | 74,670            | 74,670           | -              | -              | -              | -                       |
|   | -  | <b>74,670</b>    | -                         | -                            | -                           | <b>74,670</b>     | <b>74,670</b>    | -              | -              | -              | -                       |

**INTEREST RATE EXPOSURE AND MATURITY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

|                                      | INTEREST RATE EXPOSURE                               |                  |                           |                              |                             | MATURITY DATES    |                  |                |                |                |                         |
|--------------------------------------|--|------------------|---------------------------|------------------------------|-----------------------------|-------------------|------------------|----------------|----------------|----------------|-------------------------|
|                                      | WEIGHTED<br>AVERAGE<br>EFFECTIVE<br>INTEREST<br>RATE | CARRYING<br>AMT  | FIXED<br>INTEREST<br>RATE | VARIABLE<br>INTEREST<br>RATE | NON-<br>INTEREST<br>BEARING | NOMINAL<br>AMOUNT | UP TO 3<br>MTHS  | 3 - 12<br>MTHS | 1 - 2<br>YEARS | 2 - 5<br>YEARS | MORE<br>THAN<br>5 YEARS |
| 2014                                 | %  | \$               | \$                        | \$                           | \$                          | \$                | \$               | \$             | \$             | \$             | \$                      |
| <b>Financial Assets</b>              |  |                  |                           |                              |                             |                   |                  |                |                |                |                         |
| Cash and cash equivalents            | -  | 1,154,023        | -                         | -                            | -                           | 1,514,023         | 1,514,023        | -              | -              | -              | -                       |
| Restricted cash and cash equivalents | -  | 823,966          | -                         | -                            | -                           | 823,966           | 823,966          | -              | -              | -              | -                       |
| Receivables (a)                      | -  | 4,039            | -                         | -                            | -                           | 4,039             | 4,039            | -              | -              | -              | -                       |
| Amounts receivable for services      | -  | 195,000          | -                         | -                            | -                           | 195,000           | -                | -              | -              | -              | 195,000                 |
|                                      | -  | <b>2,537,028</b> | -                         | -                            | -                           | <b>2,537,028</b>  | <b>2,342,028</b> | -              | -              | -              | <b>195,000</b>          |
| <b>Financial Liabilities</b>         |  |                  |                           |                              |                             |                   |                  |                |                |                |                         |
| Payables                             | -  | 53,035           | -                         | -                            | -                           | 53,035            | 53,035           | -              | -              | -              | -                       |
|                                      | -  | <b>53,035</b>    | -                         | -                            | -                           | <b>53,035</b>     | <b>53,035</b>    | -              | -              | -              | -                       |

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

**Interest rate sensitivity analysis**

None of the Commission's financial assets and financial liabilities at the end of the reporting period are sensitive to movements in interest rates, hence movements in interest rates have no bottom line impact on the Commission's surplus or equity.

**Fair Values**

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.



### NOTE 33. REMUNERATION OF AUDITOR

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

|  | 2015          | 2014          |
|--|---------------|---------------|
|  | \$            | \$            |
| Auditing the accounts, financial statements and key performance indicators | 38,500        | 35,900        |
|  | <b>38,500</b> | <b>35,900</b> |

### NOTE 34. RELATED BODIES

The Commission has no related bodies as defined by Treasurer's Instruction 951.

### NOTE 35. SUPPLEMENTARY FINANCIAL INFORMATION

**(a) Write-offs**

There were no write-off of debts during the financial year.

**(b) Losses through theft, defaults and other causes**

There have been no losses through theft, defaults or from other causes.

**(c) Gifts of public property**

There has been no gifts of public property provided by the Commission in this financial year.

## NOTE 36. SCHEDULE OF INCOME AND EXPENSES BY SERVICE

|   | FACILITATION OF<br>THE PROVISION<br>OF APPROPRIATE<br>INFRASTRUCTURE AND<br>INDUSTRY SERVICES<br>SERVICE 1 |                  | PROMOTION OF<br>THE REGION AND<br>ITS INVESTMENT<br>OPPORTUNITIES<br><br>SERVICE 2 |                  | TOTAL            |                    |
|---|--|------------------|--|------------------|------------------|--------------------|
|   | 2014/15  | 2013/14          | 2014/15  | 2013/14          | 2014/15          | 2013/14            |
|   | \$   | \$               | \$   | \$               | \$               | \$                 |
| <b>COST OF SERVICES</b>                                     |  |                  |  |                  |                  |                    |
| <b>Expenses</b>   |  |                  |  |                  |                  |                    |
| Employee benefits expense                                   | 756,215  | 878,723          | 504,143  | 588,260          | 1,260,358        | 1,466,983          |
| Supplies and services                                       | 452,021  | 378,145          | 301,145  | 252,097          | 753,368          | 630,242            |
| Depreciation and amortisation expense                       | 16,099   | 2,000            | 10,732   | 1,334            | 26,831           | 3,334              |
| Accommodation expenses                                      | 96,453   | 113,105          | 64,302   | 75,403           | 160,755          | 188,508            |
| Grants and subsidies  | 446,297  | 1,556,433        | 297,531  | 1,037,622        | 743,828          | 2,594,055          |
| Other expenses  | 83,784   | 645              | 55,856   | 430              | 139,640          | 1,075              |
| <b>Total Cost Of Services</b>                               | <b>1,850,868</b>   | <b>2,929,051</b> | <b>1,233,912</b>   | <b>1,955,146</b> | <b>3,084,780</b> | <b>4,884,197</b>   |
| <b>Income</b>   |  |                  |  |                  |                  |                    |
| Other revenue   | 6,577  | 4,156            | 4,385  | 2,770            | 10,962           | 6,926              |
| <b>Total income other than income from State Government</b> | <b>6,577</b>   | <b>4,156</b>     | <b>4,385</b>   | <b>2,770</b>     | <b>10,962</b>    | <b>6,926</b>       |
| <b>NET COST OF SERVICES</b>                                 | <b>1,844,291</b>   | <b>2,924,895</b> | <b>1,229,527</b>   | <b>1,952,375</b> | <b>3,073,818</b> | <b>4,877,271</b>   |
| <b>Income from State Government</b>                         |  |                  |  |                  |                  |                    |
| Service appropriation                                       | 135,000  | 224,400          | 90,000   | 149,600          | 225,000          | 374,000            |
| Royalties for Regions                                       | 1,521,634  | 1,865,267        | 1,014,423  | 1,243,512        | 2,536,057        | 3,108,779          |
| Grants received from Other State Agencies                   | 4,357  |                  | 2,904  | 252,422          | 7,261            | 252,422            |
| Resources received free of charge                           | 10,606   | 9,305            | 7,071  | 6,203            | 17,677           | 15,508             |
| <b>Total income from State Government</b>                   | <b>1,671,597</b>   | <b>2,098,973</b> | <b>1,114,398</b>   | <b>1,651,736</b> | <b>2,785,995</b> | <b>3,750,709</b>   |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     | <b>(172,694)</b>   | <b>(825,922)</b> | <b>(115,129)</b>   | <b>(300,639)</b> | <b>(287,823)</b> | <b>(1,126,562)</b> |



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## KEY PERFORMANCE INDICATORS

### CERTIFICATION OF KEY PERFORMANCE INDICATORS

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Goldfields-Esperance Development Commission's performance, and fairly represent the performance of the Commission for the financial year ended 30 June 2015.



**Tony Crook**

*Chairman*

15 September 2015



**Shayne Flanagan**

*Chief Executive Officer*

15 September 2015

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## DETAILED INFORMATION IN SUPPORT OF KEY PERFORMANCE INDICATORS

### Relationship to Government Goals

The Commission is the primary referral point in assisting people and groups working on projects, and business or industry to develop products/services that will benefit the whole of Goldfields-Esperance Community.

Our desired outcome is to encourage and promote opportunities to build, increase investment, attract, and to retain population to the Goldfields-Esperance region. Performance measures are defined and monitored for the Commission's strategic goals through the Western Australian Government Budget Statements.

### Government Goal Desired Outcome Services

#### ***Stronger focus on the Regions:***

Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.

#### **Service 1 -**

Facilitation of the Provision of Appropriate Infrastructure and Industry Services

#### **Service 2 -**

Promotion of Region and Its Investment Opportunities.

## REPORT ON OPERATIONS

### ACTUAL RESULTS VERSUS BUDGET TARGETS

| <b>Financial Targets</b>  | <b>2014-15<br/>Target(2)<br/>\$000</b> | <b>2014-15<br/>Actual<br/>\$000</b> | <b>Variation(2)<br/>\$000</b> |
|---|--|-------------------------------------|-------------------------------|
| Total cost of services (expense limit)<br>(sourced from Statement of Comprehensive<br>Income) (a) | <b>2,071</b>                           | <b>2,960</b>                        | <b>889</b>                    |
| Net cost of services(sourced from Statement of<br>Comprehensive Income) (a)                       | <b>2,065</b>                           | <b>2,950</b>                        | <b>885</b>                    |
| Total equity<br>(sourced from Statement of Financial Position)                                    | <b>1,446</b>                           | <b>2,053</b>                        | <b>607</b>                    |
| Net increase / (decrease) in cash held<br>(sourced from Statement of Cash Flows) (b)              | <b>(73)</b>                            | <b>(229)</b>                        | <b>(156)</b>                  |
| Approved Full Time Equivalent (FTE) Staff Level   | <b>12</b>                              | <b>11</b>                           | <b>0</b>                      |

(1) As specified in the Budget Statements.

(2) Further explanations are contained in Note 30 'Explanatory statement' to the financial statements.

(a) The increase in 2014-15 actual Total cost of services and Net cost of services as compared to 2014-15 target are predominantly due to the increase in approved Royalties for Regions' funding and grant expenditure relating to Regional grants scheme and Community chest grants.

(b) The movement in cash relates to payments for regional grants scheme made in 2014-15 that were expected to be made in the prior year.

| <b>Summary of Key Performance Indicators</b>   | <b>2014-15<br/>Target(2)<br/>\$000</b> | <b>2014-15<br/>Actual<br/>\$000</b> | <b>Variation(2)<br/>\$000</b> |
|--|--|-------------------------------------|-------------------------------|
| Outcome: An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region  |  |                                     |                               |
| Effectiveness Indicator<br>Client satisfaction with the provision of an environment conducive to the balanced economic and social development of the Goldfields-Esperance region | 75%                                    | 75.5%                               | 0.5%                          |
| Efficiency Indicators<br>Service 1: Facilitation of the Provision of Appropriate Infrastructure and Industry Services<br>Average cost per chargeable hour (a)                    | \$87                                   | \$90                                | \$3                           |
| Service 2: Promotion of Region and Its Investment Opportunities<br>Average cost per chargeable hour  | \$87                                   | \$87                                | \$0                           |

(1) As specified in the Budget Statements.

(2) Explanations for the variations between targeted and actual results are presented in Note 30 'Explanatory Statement' to the financial statements.

(a) The cost per service in Service 1 has increased due to increase in resources spent in the facilitation and coordination of infrastructure and industry services, as well as the progression of the Regional blueprints and the administration of the Regional Grants.

## KEY EFFECTIVENESS INDICATORS

The key effectiveness indicators measure the extent to which performance contributes to improved client satisfaction.

The GEDC's effectiveness indicators are measured by undertaking an annual survey of key clients. This survey is conducted by an independent market researcher, Perth Market Research. Electronic questionnaires were sent to 245 clients that had contact with the GEDC in the previous 12 month period. Perth Market Research received 171 completed surveys, resulting in a 70% response rate of the sampling frame. The response rate is sufficient to ensure that the overall results are representative of the opinions of the population of key clients within a possible sampling error of +/- 5.0.

Contact with clients and key stakeholders assists in providing opportunities to develop business and employment opportunities, reduce obstacles to economic growth and increase trade activity. Success in these areas will assist the GEDC to achieve its stated outcome – an environment conducive to the balanced economic and social development of the Goldfields-Esperance region.

Overall, the perception of the performance of the GEDC has increased from 2014 to 2015 across goal areas. All scores reflected an above-average assessment, with all areas reflecting a small increase in score. The GEDC will continue to work towards achieving its targets. A comparison with previous years is summarised in the following table\*:

| <b>Effectiveness Indicator</b>   | <b>2012</b> | <b>2013</b> | <b>2014</b>  | <b>2015</b>  | <b>Target</b> |
|--|-------------|-------------|--------------|--------------|---------------|
| Client satisfaction with the provision of an environment conducive to the balanced economic and social development of the Goldfields-Esperance region. | <b>75%</b>  | <b>73%</b>  | <b>72.8%</b> | <b>75.5%</b> | <b>75%</b>    |

\*The report is available in full from GEDC web site.

## KEY EFFICIENCY INDICATORS

The key efficiency performance indicators measure the overall efficiency in achieving the desired outcomes. These outcomes are linked to Government goals.

The following efficiency indicators are based on the total operational cost for each of the two service areas, including an allocation of general costs and overheads.

### Service 1 – Facilitation of the Provision of Appropriate Infrastructure and Industry Services

*Service Description: To coordinate the identification of appropriate infrastructure, industries and enterprise services to the region so as to ensure that they are provided effectively and efficiently to meet the expanding needs of the region.*

| Effectiveness Indicator          | 2012  | 2013 | 2014 | 2015 | Target |
|----------------------------------|-------|------|------|------|--------|
| Average cost per chargeable hour | \$130 | \$88 | \$88 | \$90 | \$87   |

The variance from target to actual for 2014-15 of an increase of \$3 is due to increase in resources spent in the facilitation and coordination of infrastructure and industry services, as well as the progression of the Regional blueprints and the administration of the Regional Grants.

### Service 2 – Promotion of Region and Its Investment Opportunities

*Service Description: To promote the region's advantages and attractions by way of appropriate policies, strategies and plans, so as to encourage investment that will contribute to economic growth, employment and an increased population base in the region.*

| Efficiency Indicator             | 2012  | 2013 | 2014 | 2015 | Target |
|----------------------------------|-------|------|------|------|--------|
| Average cost per chargeable hour | \$125 | \$89 | \$82 | \$87 | \$87   |

## OTHER FINANCIAL DISCLOSURES & LEGAL REQUIREMENTS

### Pricing Policies of Services Provided

The Goldfields-Esperance Development Commission does not charge for its services, brochures and publications.

### Capital Works

No capital works were undertaken this financial year.

### Employment and Industrial Relations

Staff Profile as at 30 June 2015:

| Positions                         | 2014-15   | 2013-14   |
|-----------------------------------|-----------|-----------|
| Full Time Permanent               | 9         | 6         |
| Full Time Contract                | 1         | 4         |
| Part Time Measured on a FTE Basis | 1         | 0         |
| <b>Total</b>                      | <b>11</b> | <b>10</b> |

### Staff Development

The GEDC has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional, and fair workforce with the ability to adapt to a changing work environment.

During the financial year, our employees received a broad range of training in-house and externally.

### Advertising

In compliance with section 175ZE of the Electoral Act 1907 the Commission monitors expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. The details of the Commission's expenditure in these areas are as follows:

| Type                            | Supplier                 | \$             |
|---------------------------------|--------------------------|----------------|
| Advertising agency services     |                          | -              |
| Market research organisations   |                          | -              |
| <b>Polling agencies</b>         |                          | -              |
| Direct Mail                     |                          | -              |
| Media advertising organisations | Adcorp Australia Limited | 2,761          |
| <b>Total</b>                    |                          | <b>\$2,761</b> |

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## DISABILITY ACCESS AND INCLUSION PLAN (DAIP)

Through the Commission's DAIP we are committed to delivering the same level of services to people with disabilities. The plan ensures we maintain the six outcomes identified, effectively. The plan was updated during 2013/14 and advertised to the general public via our website and Public Notices in the Kalgoorlie Miner newspaper.

The DAIP will ensure that people with disabilities:  
have the same opportunities as other people to access the services of and any events organised by the Commission;

- 🌐 have the same opportunities as other people to access the agencies buildings and facilities;
- 🌐 receive information from the Commission in a format that will allow ready access to it;
- 🌐 receive the same level and quality of service from the Commission;
- 🌐 have the same opportunities to make complaints to us;
- 🌐 have the same opportunities as other people to participate in public consultation.

## RECORD KEEPING PLAN

As required by the State Records Act 2000 the Commission has developed and maintains a Record Keeping Plan that is consistent with the principles outlined in the Act and has been approved by the State Records Office.

The Commission's Record Keeping Plan and systems are aligned with the Commission's Record Management procedures and Retention and Disposal Schedule, it is reviewed not less than once every five years in consultation with staff and the State Records Office to ensure it meets the Commission's needs and all compliance requirements.

The Commission does not have a formal record keeping training program in place due to the small number of staff and diverse locations of the offices. Guidelines and face to face training is provided to new staff at their usual base. Training for existing staff is provided on 'as needs' basis.

## PUBLIC INTEREST DISCLOSURES

The Public Interest Disclosure Act 2003 requires the Commission to:

- 🌐 Facilitate the disclosure of public interest information;
- 🌐 Provide protection for those who make disclosures; and
- 🌐 Provide protection for those who are the subject of a disclosure.

In accordance with the Act, the Commission has duly appointed a Public Interest Disclosure Officer and has provided awareness sessions with all staff. Nil public interest disclosures were received during 2013-14 financial year.



## OCCUPATIONAL SAFETY, HEALTH, AND INJURY MANAGEMENT

The Commission is committed to providing and maintaining a safe and healthy work environment for all employees and other persons providing services at or visiting our premises. This includes management acknowledging its duty to provide and maintain a working environment in which employees and other persons are not exposed to hazards. The principles, procedures, and guidelines underpinning this commitment are contained in Goldfields-Esperance Development Commission Occupational Safety and Health Policy and the Vehicle Policy.

The Commission communicates any changes and updates with its staff through regular team meetings, phone, email and documents saved to the Commission's shared network drive accessible by all staff. A representative call for nominations process is underway with elected representatives to receive recognised training in accordance with the legislative requirements.

The Commission has an Injury Management System that contains a 'Return to Work Program' to enable injured workers to return to the workplace as soon as practical. Although the Commission has not received any Workers Compensation claims in 2013-14 financial year and is dedicated to ensuring that safety and health management systems are in place and reviewed regularly.

The Commission has maintained its NIL Lost Time Incidence Rate and Lost Time Frequency rate. The results are outlined in the table below:

| <b>INDICATOR</b>   | <b>2014-15</b>       |
|--|----------------------|
| Number of fatalities.....                                    | Zero                 |
| Lost time injury incident rate.....                          | Zero                 |
| Lost time injury severity rate.....                          | Zero                 |
| % of injured workers returned to work within 28 weeks.....   | No injuries reported |
| % of managers aware of OH&S management responsibilities..... | 100%                 |

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## COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Commission has had no compliance issues during the 2013-14 financial year regarding Public Sector Standards, the WA Code of Ethics or the internal Code of Conduct.

The Commission continues to regularly review and update internal policies to ensure compliance with Public Sector Standards and the WA Code of Ethics.

## COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT 1993 31(1)

In the administration of the Goldfields-Esperance Development Commission, the Commission has complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics, and our Code of Conduct.

The Commission has in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy that the statement made in 1 is correct.

During 2013-14 the Commission's Code of Conduct was revised and circulated to all staff and board members.

The applications made for breach of standards review and the corresponding outcomes for the reporting period are:

|                           |     |
|---------------------------|-----|
| Number lodged             | Nil |
| Number of breaches found  | Nil |
| Number still under review | Nil |



**Shayne Flanagan**  
*Chief Executive Officer*  
3 September 2015

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